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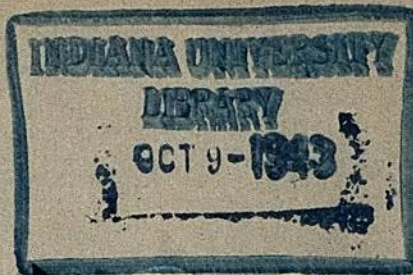
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Issued by the UNITED STATES DEPARTMENT OF COMMERCE, JESSE H. JONES, Secretary

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THIS WEEK

Commerce in a Changing World.....	3
Merchant Shipping of the U. S. in Wartime.....	5
Engineering Aspects of Today's Progress on the Inter-American Highway.....	11

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News by COUNTRIES

Argentina.....	14	Iran.....	17
Belgium.....	15	Mexico.....	18
Bolivia.....	15	Netherlands Indies.....	18
Brazil.....	16	Nigeria.....	18
British West Indies.....	16	Panama.....	18
Chile.....	16	Philippine Islands.....	19
Colombia.....	17	Spain.....	19
Cuba.....	17	Switzerland.....	19
Dominican Republic.....	17	Turkey.....	29
Gold Coast.....	17	Uganda.....	29
Guatemala.....	17	United Kingdom.....	29

News by COMMODITIES

Automotive Products.....	20	Machinery, Other Than Electrical.....	24
Chemicals.....	20	Motion Pictures and Equipment.....	24
Coal and Fuel Gas.....	20	Nonferrous Metals.....	25
Construction.....	20	Oils, Fats, and Oilseeds.....	25
Electrical Machinery and Equip- ment.....	21	Petroleum and Products.....	26
Foodstuffs and Allied Products.....	22	Railway Equipment.....	26
Furs.....	23	Shipbuilding.....	26
Iron and Steel.....	23	Special Products.....	27
Leather and Related Products.....	23	Textiles and Related Products.....	27
Lumber and Products.....	23	Tobacco and Related Products.....	28
		Waxes.....	28

REGULAR DEPARTMENTS

United States Export Control and Related Announcements.....	33	Latin American Exchange Rates.....	37
New Books and Reports.....	39	Pertinent Comments on World Economy Today.....	15
Foreign Commerce Statistical De- cision.....	34	Contributor's Column.....	39
		Trade-Mark Applications.....	38

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COMMERCE in a Changing WORLD

By the Honorable WAYNE CHATFIELD TAYLOR, Under Secretary of Commerce

[This article reproduces, in part, Mr. Taylor's recent address before the Christ Church Forum in New York City.]

THE WORLD has never stood still; when it has appeared to do so, this was merely because the surge of the last forward movement had abated and that of the new one was gathering strength. Many writers and speakers have been discussing ably many phases of the future world. They have pointed out that peace, tolerance, mutual understanding and confidence can be established between individuals, races, and nations. They have combined a serious approach with *hope*—with a basic belief that we can do better than we have in the past. We can believe no less, if we face squarely the problems of the future. If we question this belief, our approach must be so cautious as to be doomed to failure.

The fact that mankind has failed so many times before in its efforts to work out a better system must, of course, impress us, but it need not discourage us. The history of human progress is the story of many unsuccessful experiments. No one can tell when, or how, a successful combination of elements will be obtained. The all-important thing is to keep trying. After all, from Icarus to the Wright Brothers was quite an extended period. But from the Wright Brothers to more than a million trained pilots is *only 40 years*. Here is certainly an example of persistent effort, an example of the bonds which are broken when vision and experiment finally are rewarded.

In the Forefront

It may well be that in the development and use of *aviation* we shall find the answers to the questions which have troubled mankind for so many centuries. Certainly the future of aviation must be in the forefront of any discussion of commerce in a changing world, because many of the changes themselves will result from the manner in which the development of aviation is handled.

The wartime uses of aviation are daily demonstrated; from the reports which all of you have read, you can readily visualize the effectiveness of aviation in maintaining order, once peace has been established. However, it is to the peaceful *commercial* possibilities of aviation

in the world of the future to which I wish first to direct your attention.

In the near future, many, many men and women will fly. However, there is no particular reason why everyone should fly everywhere. Nevertheless, the lives of everyone, especially in the still remote places of the earth, will be materially affected by the development of aviation. Many cargoes will be air-borne, but certainly not *all* cargoes will be air-borne. Air transport will supplement other forms of transportation. History shows clearly that as new forms of transportation have been developed, older methods have found new uses. There is no reason to think that this pattern will be altered.

Man's New Range

There will be one very marked difference—in exploration and in pioneering

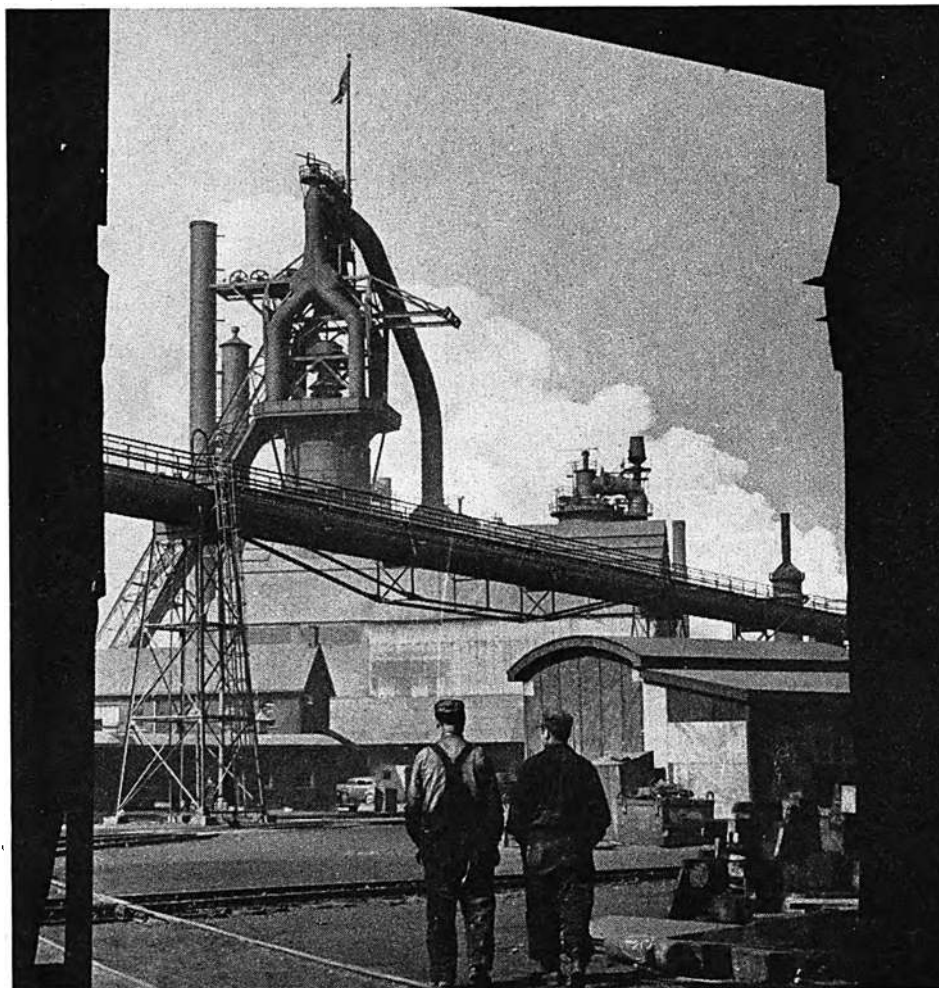
the development of remote areas, air transportation will precede other types of transportation rather than follow them. Man's new range will be determined largely by the amount of fuel he can carry with him in a plane instead of by the amount of elaborate equipment and preparation now necessary for many comparatively short expeditions of exploration.

Obviously, if the picture which I have roughly sketched is accurate, decentralization of certain industries and the industrialization of many now-remote areas is sure to follow. Inland cities will become great international ports of entry for passengers and valuable specialized cargoes.

Many Americans have read Wendell Willkie's "One World." One wonders how many of those readers noticed that the main theme in this book was the effect of aviation on our civilization. There



"Men have been able to develop amazing new mechanisms."



"Tools and skills are moving to raw materials and to men and women eager to work and learn."

is another recent book of great significance, written by one of the foremost statesmen of our times, "Free Men of the Americas," by Dr. Ezequiel Padilla. In this remarkable book the Minister of Foreign Affairs of Mexico also emphasizes the effect of aviation on our world of the future. Similar statements are being made, almost daily, by the leaders of all nations. All these forward-looking men emphasize both the possibilities of aviation in maintaining peace and in developing higher standards of living in every region.

Agreement Is Imperative

These men likewise agree that aviation is such a powerful weapon, as well as such a powerful tool for development that its use must be governed by broad international agreements. In fact, they indicate that, without effective agreement on aviation, all other agreements might soon lose their effectiveness.

One cannot at this time indicate what matters will be covered by such international agreements. Until our representatives sit down to discuss these matters with the representatives of like-minded nations, it would be idle to anticipate their decisions. Nevertheless, one can say that if we, and other nations, sincerely wish agreement, agreement we

shall have. That is a simple rule, which can be applied to all human relationships. Agreement is only possible when people truly *wish* to agree, and is lasting only as long as people believe that the agreement is operating fairly and flexibly enough to meet new conditions.

Use It Wisely—Widely

One may add that it would be difficult to find anyone, who has given these matters serious attention, who believes that aviation could, or should, be the monopoly of any one nation. The airplane rises above such restrictive concepts, just as it flies over the Andes or the Pacific Ocean. Too many men and women know how to build airplanes, too many men and women know how to operate them, to permit the serious entertaining of any such thoughts.

The airplane is assuredly one of the primary tools of the future; it must be used wisely, but it also must be used *widely*.

To Speed Up Reconstruction

When peace comes, the United Nations will possess a vast fleet of transport planes, which can be immediately adapted to the urgent tasks of relief and reconstruction. The use of this fleet is

imperative. Failure to use it could only represent a combination of stupidity and criminal negligence. The existence of this fleet will speed up reconstruction and development immeasurably. Missing parts will be flown to waiting factories, doctors and medicines will be flown to stricken areas, cargoes of mercy will replace cargoes of destruction. The effectiveness of technicians will be multiplied many times. A new or old method of curing disease, or of controlling epidemics, will be flown, in the person of a skilled technician, from continent to continent.

Industrial techniques will make similar rapid journeys. Competent engineers dropping in from the skies will adapt a proven process to local conditions, start all the necessary procedures, and come back from time to time to discuss new developments.

The use of air transportation in relief and reconstruction serves to emphasize the fundamentals of these problems themselves. It would be foolish indeed to recreate everything just as it had been before the bombers came, before the tanks and big guns turned centuries-old structures into piles of rubble. When the world reconstructs, it must really *build anew*. The new structures will not be the same but they will serve future generations far better than their predecessors would have done. Modern tools will permit speedy construction, modern materials, modern devices—and modern skills will provide safeguards to health, undreamed of by the architects of the past.

War's Rude Reversals

It is scarcely necessary to say that many of the most highly developed areas of Europe have already become backward regions, or that their inhabitants have likewise in effect become backward people. Already war has destroyed much of Europe's tool equipment, and, as Europe's remaining tools disappear, the drop in its level of existence will become more acute. (The term "level of existence" is purposely used here, because it is far more expressive of the actual state of affairs than the customary definition.) When this rapidly declining level finally reaches the Axis armies, victory by the United Nations will be almost instantaneous. Modern armies cannot fight without modern weapons, and modern weapons require modern tools and modern transportation.

Sicily Not Typical

What our troops encountered in Sicily represents a very diluted sample of what they will meet on the continent of Europe itself. Sicily was a strong outpost, but Sicily was not highly industrialized; it was never one of Europe's workshops. While it relied on Italy and the rest of the world for the finished products which its population did not produce, Sicily itself had few modern industrial or agricultural tools. In fact Sicily had remained a comparatively primitive region, a breeding ground for excess population,

(Continued on p. 32)

Merchant Shipping of the U. S. in Wartime

*Broad Presentation of Unembellished Facts About
History's Greatest Feat in the Creation of Vast
Efficient Facilities for Oversea Transportation*

By Office of War Information¹

EDITOR'S NOTE

In this report all tonnage is expressed as deadweight unless otherwise stated.

Deadweight tonnage is the carrying capacity of cargo, fuel, and stores of a ship expressed in tons of 2,240 pounds, representing the difference between displacement loaded and displacement light.

Gross tonnage is the entire internal cubic capacity of the ship expressed in tons of 100 cubic feet to the ton.

All conversions from gross to deadweight tonnage in this report are obtained by multiplying the former by 1.5 (for freight vessels).

Note: German propaganda reports dealing with Allied tonnage claimed as sunk would be misleading because (if for no other reason) they usually fail to specify *which* measure is being used.

AMERICAN SHIPYARDS have delivered nearly 18,000,000 dead-weight tons of shipping since Pearl Harbor, and by next January we shall have built in 2 years the equivalent of more than a third of all the blue-water merchant-marine tonnage in the world before the war began, the Office of War Information said today in a report based on data supplied by the War Shipping Administration and the U. S. Maritime Commission.

This great new American fleet is dedicated to a more than purely national task. We are builders of ships to a fighting alliance of 31 nations. When their joint need for war shipping is taken as

¹ Agencies consulted in the compilation of this report were the War Shipping Administration and the U. S. Maritime Commission, "Allied War Control" by Sir Arthur Salter (London, 1921) is the source of figures on shipping in the last war.

measure, the most we can do must be reckoned too little.

On the credit side of the ledger are:

The 54,000,000 tons of shipping with which the United Nations, as now associated, began the war, minus sinkings during the past 4 years.

The 18,000,000 tons delivered from American ways since Pearl Harbor, and the prospect of another 9,000,000 tons before January 1944.

The fact that we are now delivering ships several times faster than the enemy is sinking them.

On the debit side of the ledger:

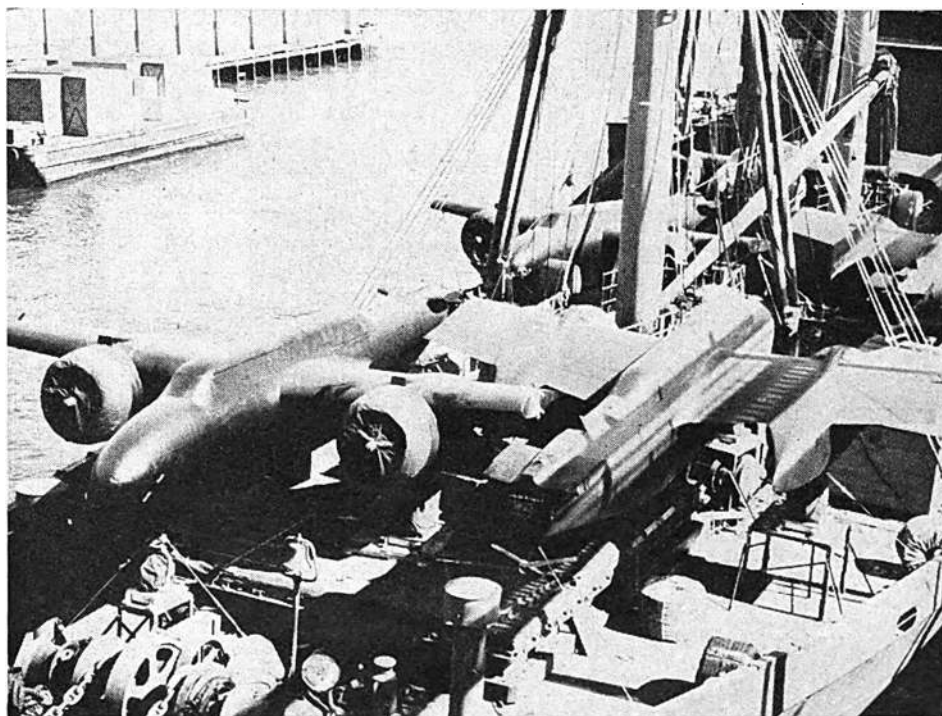
We are the only member of the United Nations not in the red. Our Allies have not been able to offset their merchant-

ship losses by sufficient new construction. The amount of shipping being built by us is not enough both to handle military needs (which come first) and to satisfy all civilian export-import requirements.

Actual construction for 1943 may fall below the 19,000,000-ton schedule because of steel shortages, lack of propulsion equipment for vessels, manpower shortage, and unforeseen circumstances.

Convoy and other war delays make it necessary to use 10 ships now where 7 ships would do the job under peace conditions.

There are not enough shipyard workers. We could have used 73,000 more shipyard workers than were available in the first 3 months of 1943.



U. S. Maritime Commission

Battle-bound planes, being loaded on one of the vessels of our Victory Fleet. With their holds packed with other war cargoes, the ships carry bombers and fighter planes on their decks in ever-increasing numbers.

Ahead of us lies an unpredictable demand for shipping to service the second front, and beyond that lies the conquest of Japan, where three times the distance requires three times the shipping and ship personnel.

Sharp Change for Better

Yet on the whole a decided change for the better has occurred in the United Nations' shipping position. We have ended the period of passive protection of convoys and have taken the offensive by sea and air against the U-boat itself, and by bomber against its German breeding places. U-boats have been driven into cautious and limited operations.

April 1943 marks a line where the accumulated effects of our antisubmarine weapons began to show marked results. The first 3 months of the year were still bad ones for our shipping. But the April sinkings, by German admission, were less than half those of March. May was better than April, and June was still better. Continuance of this trend is indicated by the fact that these successes against the U-boats were achieved without the services of many new destroyer-escorts only recently brought into use.

Present gains in building and protecting our ships do not necessarily mean that the United Nations can transport enough men and equipment to destroy the power of Germany and Japan. That depends on what shipping the United Nations originally had, and on what net destruction the enemy has caused during nearly 4 years of war.

In the first 2 years, before we joined them, our Allies lost a large part of the 43,000,000 tons they jointly mustered in September 1939. England, which had 22,000,000 tons at the start, lost about 7,500,000 tons in the first 22 months. This is over three times the 2,300,000-ton

loss which England suffered during the first 2 years of the last war.

None of our present Allies has been able to replace all its ship losses. England and Canada are the only ones to deliver any substantial tonnages. Norway, the Netherlands, France, Greece, and Russia, in September 1939, had a combined merchant-marine fleet of 15,600,000 tons. Their deep losses have not been offset by new construction. We (as already mentioned) are the only one of the United Nations not in the red.

In December 1941, the United States brought to our Allies a dry cargo and tanker fleet of 12,250,000 deadweight tons, minus what losses we had suffered while neutral. In our first year at war we contributed some 8,000,000 tons in new ships.

But taking new construction of the United Nations as a whole, there was a net loss for the year 1942 of about 1,000,000 tons.

It was not until late 1942 that United Nations' deliveries began to exceed sinkings.

Secrecy on shipping losses is a United Nations' rule, although spokesmen from time to time have sketched the relative position in broad strokes. The tonnage with which the United Nations began the war is a public fact, and known to Germany. The Nazis have their U-boat and Luftwaffe intelligence on our losses, and they know in the rough what our combined deliveries have been. What they do not know is the exact size of our shipping margin.

A Backward Glance

A backward look may provide perspective on our shipping losses.

The U-boat began the last war as a thin-skinned timid craft whose possibilities the Germans themselves did not realize. Only 3 British vessels fell to submarines in 1914, compared with 42

sunk by mines and 55 by raiders. For the next 2 years the U-boat was forced to skulk in the shallow waters of the English Channel or close to Mediterranean shores, and it destroyed more with deck guns than with torpedoes. It began to take a great toll mainly because British merchant ships went unarmed. There were few English guns to spare—one ship frightened away a submarine by firing a rocket. During 1916, 1 ship in 10 which passed the Straits of Gibraltar never returned. The British did not adopt defensive measures until 1917, and by that time the U-boat was big, able to stay at sea for weeks and to carry many torpedoes. Berlin decided to sink without warning. In April 1917, England lost 789,670 deadweight tons of shipping. Next month the British for the first time adopted the convoy system; in May their losses fell off 40 percent and never again approached that April peak.

England had in 1913 more than 23,700,000 deadweight tons of shipping to less than 1,000,000 for the United States. Our entire launchings during 4 years of that war were about what American yards are now turning out in 4 months. The total number of American merchant ships never met the number required to carry American troops and supplies.

From 1914 to 1918 the United States lost less than 500,000 tons of shipping, which is somewhat less than 2 weeks' present production of Liberty ships.

England lost 11,493,000 deadweight tons, more than 20 times our losses.

1913 and 1939

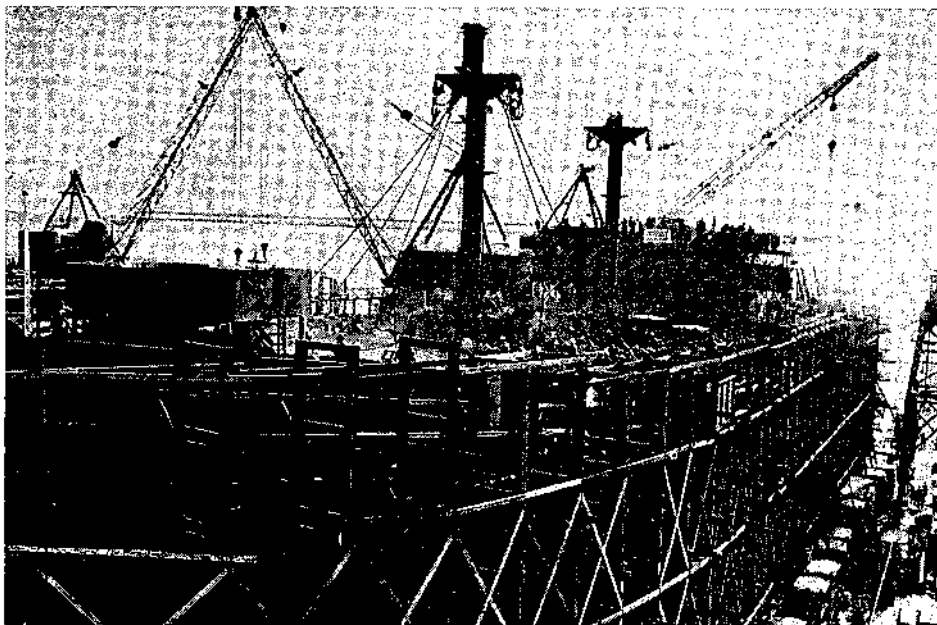
In millions of deadweight tons, the comparative shipping situations prior to the start of the last war and this one were as follows (for ships of oceangoing size):

	1913	
World.....	45.4	
Allies (England, France, Italy, U. S., and others).....	32.4	
Neutral.....	5.9	
Enemy.....	7.1	
	September 1939	
World.....	71.8	
United Nations (as now associated)....	54.0	
Neutral.....	2.8	
Enemy.....	15.0	

Neutral shipping, when it is free to relieve our own fleet of necessary chores, is almost as valuable as our own. The Allies and Neutrals began the last war with 38,300,000 tons; the United Nations and Neutrals began this war with 54,000,000. This reckons in the shipping of all the Free Nations, and it includes France and Denmark, although much of their shipping never came into our hands. The submarine did not become a vital menace until the third year of the last war. In its first 22 months, Allied and Neutral losses were 3,800,000 deadweight tons from torpedoes plus mines and raiders.

Nazis' Sea Assault

In the present war, the U-boat began its full assault at once, with the sinking of the *Athenia* the first week. In the first 22 months of this war Britain alone lost about 7,500,000 deadweight tons, a monthly destruction of about 1½ percent



U. S. Maritime Commission

View of main deck 84 hours after keel laying.

of its original shipping. For all shipping in the world, except the enemy's it was a *monthly* rate higher than the Allied and Neutral rate in 1914-16.

While soldiers were idling at the Maginot line, the Nazi submarines were trying to starve England, as they nearly had in the spring of 1917. England, from Dunkirk through the Battle of Britain, could use only its left hand against the U-boats. Moreover, Germany did not wait 2 years before going all-out against neutral shipping.

The sea assault of the first 2 years failed in its primary purpose to cut off England's supply lines, but the sinkings, if at a reduced rate, continued. In 1942 the United Nations lost 12,000,000 dead-weight tons of shipping.

During the last war, replacements for losses were effectively made by the Allies, particularly in the first and last years. Their original 38,300,000 tons was reduced by losses of 18,800,000 tons in 4 years, and yet in October 1918 there were 42,500,000 tons of Allied and Neutral shipping in operation or under repair.

Replacements in this war did not begin on a large scale until the United States shipbuilding program put 8,000,000 tons into service in 1942.

Does the added Allied tonnage from British and Canadian launchings, from Fighting France, and from the occasional salvage of sunken enemy ships, plus increased destruction of U-boats, provide that extra margin which the United Nations must have to win this war? The precise answer is a military secret. Yet it has been stated in general terms.

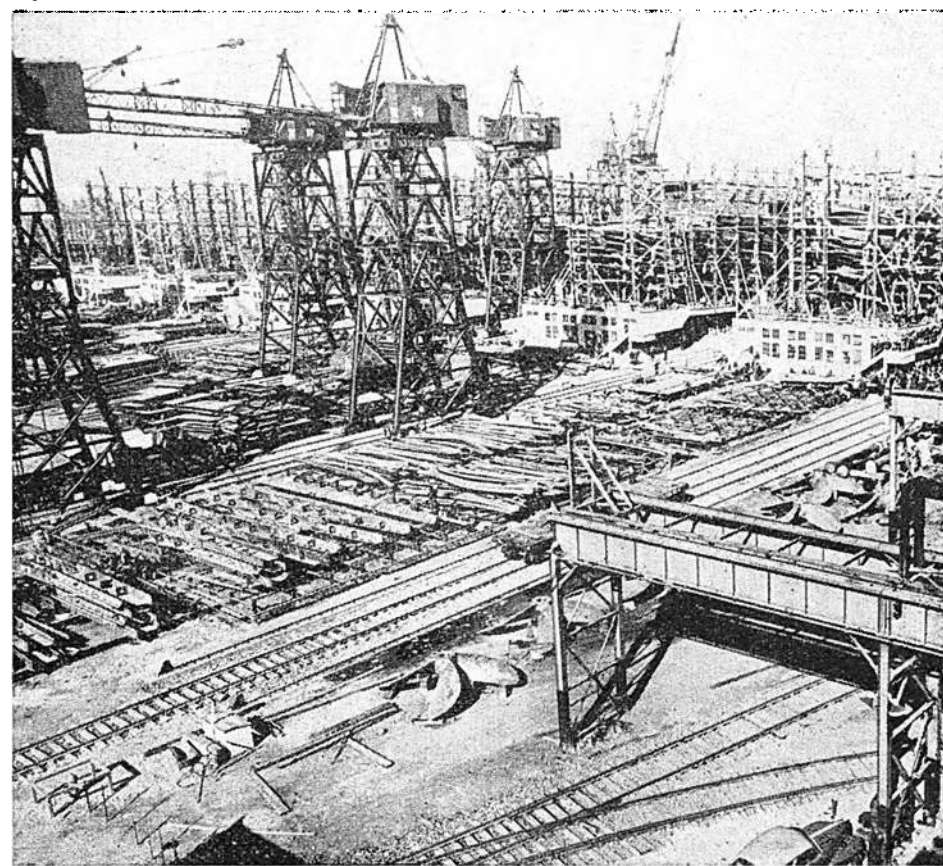
In May 1943, Prime Minister Winston Churchill told the American Congress, "While I rate the U-boat danger as still the greatest we have to face, I have a good and sober confidence that it will not only be met and contained but overcome. The increase of shipping tonnage over sinking provides—after the movement of vital supplies of food and munitions have been arranged—that margin which is the main measure of our joint war effort."

U-Boat vs. Airplane

In 1914 the submarine and the military airplane were relatively crude devices. The submarine was underpowered and cranky; the 1914 airplane was a cloth-and-wood contraption which uneconomically exposed struts and wires to the airstream. The submarine sailor of 1914 lacked the "Davis lung" to save him from a stricken ship; the 1914 pilot flew without a parachute.

The two potential enemies did each other little damage during the last war. Allied fliers claimed many U-boat kills, yet post-war evidence supported few of them. Only recently have U-boats suffered serious losses from aircraft.

The double hull of a modern U-boat deflects some machine-gun bullets, and those which pierce the target do not damage the inner shell. Direct bomb hits are difficult from the air. A submarine trimmed down for patrol can crash dive in less than a minute. British U-boat hunters complain that the Ad-



U. S. Maritime Commission

Wilderness of future ships.

miralty insists on a piece of the captain's ear as evidence of a U-boat sinking.

Airplanes can and do sink U-boats, but that is a lesser role than spotting submarines and directing destroyers and destroyer-escorts to the kill. So long as we lacked sufficient aircraft carriers and land aircraft bases, U-boat packs could hit and run. That has been largely stopped by an enlarged United Nations air patrol.

This is not to underrate the part of the destroyer, the destroyer-escort, and the corvette. Their increase in numbers, plus the help of the new air arm, has been responsible for the decreased rate of sinkings during the past few months. Of course, the more ships we launch, the greater number of escorts we shall need for them.

The Logistics of Shipping

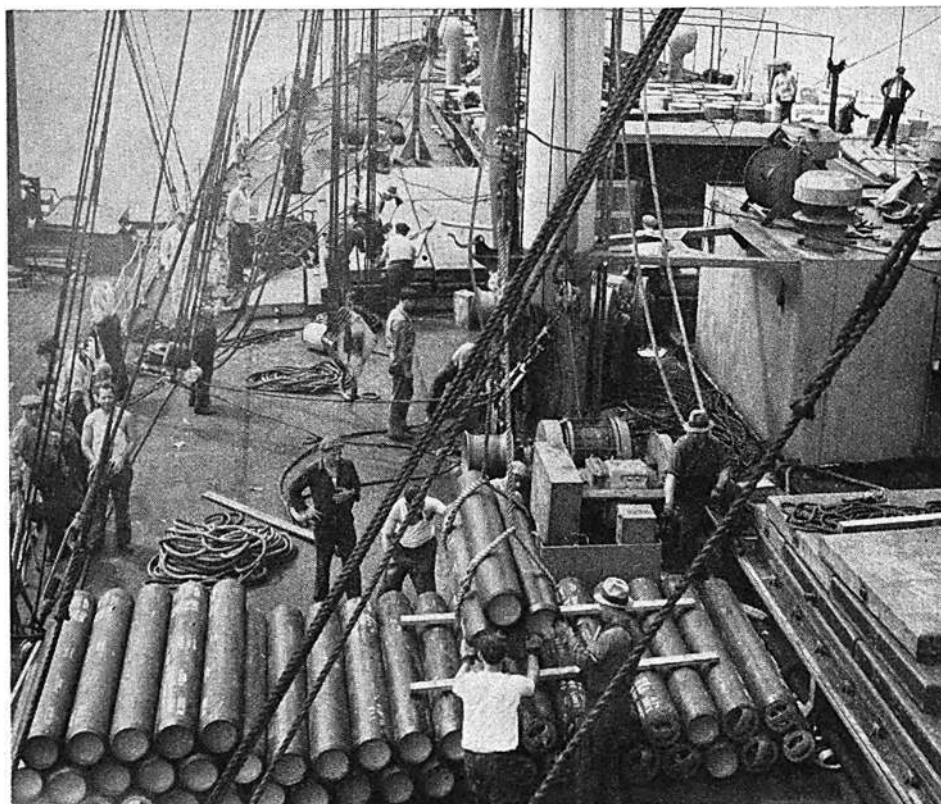
In transporting men and material to the fronts our enemies have every advantage. Germany and Japan operate on short inner lines. We must traverse 35,000 miles of sea lanes and return the same distances. Although the capture of North Africa was worth hundreds of ships, there is still no intercontinental highway which does not, at some point, narrow to a lane where the submarines can lie in wait.

During the last war our fire power was directed at a single objective, the Western Front. Today it is dispersed over five continents, and every factor of weight

and distance and hazard has expanded to scale. In 1917-18 our Allies provided us with combat planes and much sustenance. Today we must equip ourselves and, in part, our friends. The doughboy of 1917 landed with his bedding roll and a rifle. The bales of hay for Pershing's horses weighed less than fuel for Eisenhower's tanks. Today our Army lands from 5 to 12 tons of equipment per man, and more than 1 ton each month to maintain him.

To transport overseas the approximately 3,700 vehicles and the equipment of one armored division takes 15 Liberty ships, in addition to troop ships. An armored division in action and on the move uses 650 tons of gasoline, 600 tons of ammunition, and 35 tons of food a day. A Liberty ship would have to arrive every 8 days to maintain it in battle.

Consider the maintenance problem in terms of minimum requirements. There are at least 1,500,000 men in our armed forces overseas, each needing at least 1 ton of supplies every month. Ships seldom are loaded to 100 percent capacity, so that in this service of supply about 2,000,000 tons of shipping must arrive safely in foreign ports each month. But voyages in convoy are half again as long as trips made by single ships in time of peace. A round trip in convoy to England requires 2½ months, to India 7 months. A general average for turn-arounds on war service is 4 months. Therefore the maintenance of our armed forces overseas employs 8,000,000 tons of shipping.



U. S. Maritime Commission

It looks complex, but is actually smoothly efficient—this activity on deck as one of the new American ships is being loaded.

At the height of our maritime strength during the last war, in October 1918, our every use of shipping—for oversea maintenance, domestic imports, and aid to Allies—employed less tonnage than in this war is needed for maintenance alone. And today this 8,000,000 tons does not take into account the unpredictable amount of supplies we must deliver when we begin to throw everything we have at the Germans on European soil.

In times of peace the United States imported approximately 25,000,000 dry-cargo tons of what we then considered essentials to our way of life. Today such imports amount to 17,000,000 tons.

In 1942 there were 17 distant places to which our own and United Nations' fleets carried 1,000,000 tons or more during 1942. The North Atlantic, the United Kingdom, the Soviet Union, the Caribbean ports, both coasts of Central and South America, the North Pacific, the Hawaiian Islands, West, North, South, and East Africa, the Red Sea, the Persian Gulf, India, and Australia—each of these areas became in 1942 a major importer from the United States, and that year was merely prelude.

The inefficiencies of wartime maritime operation—such as longer turn-arounds in convoy and a larger percentage of ships laid up for repair—mean that 10 ships must be in war service to the 7 required in peacetime. To obtain greater operating efficiency is obviously as important as launching new ships. We are month to month gaining more efficiency as our loading, convoy, and disembarking techniques improve.

England has pledged itself to support our assault on Japan as soon as the Germans are licked. When that time comes the necessity to make great shipments to the Far East will introduce another multiple into the maritime equation.

Claimants for Shipping

The estimate that 8,000,000 tons of shipping must be continuously employed to service our forces overseas takes into account only the tonnage allotted to military use. It is the largest share.

The percentage allotments of the War Shipping Administration tonnage in a typical month were these: Army, 36.2 percent; Navy, 11.1 percent; Lend-Lease, 37 percent; all other, 15.7 percent.

The Army's 36.2 percent slice of WSA shipping is in addition to the operations of the Army's own fleet and to the large transport service supplied by the British. Lend-Lease cargoes fill 3 out of every 10 outbound ships.

The residual use of WSA shipping is the 16 percent left to serve domestic supply, i. e. to take essential exports to Latin America and to island bases and to carry coal to New England. About a third of this tonnage is claimed for military production. Millions of tons of bauxite, copper, metallurgical chrome, manganese, and zinc concentrates have prior claim on incoming ships over the creature comforts of the American public. The latter receive passing notice in the scheduled importation during the year 1943 of 900,000 tons of coffee, 3,400,-

000 tons of sugar, and a certain tonnage of hides, tea, fats, and oils.

Long-Range Building Program

For the war period, the United States Maritime Commission builds the ships; the War Shipping Administration operates them. Rear Admiral Emory S. Land, Chairman of the Maritime Commission since the resignation of Joseph P. Kennedy in February 1938, became administrator of the War Shipping Administration as well when that agency was established in February 7, 1942. Rear Admiral Howard L. Vickery is Vice Chairman of the Maritime Commission, and is its construction chief. Both officers are Navy-trained shipbuilders.

The Maritime Commission in 1937 set itself to revive America's moribund merchant marine by building a fleet of fast cargo and passenger ships. There were to be 50 of these C-type ships built each year over a period of 10 years. War stepped up the program. In 1942, 58 C-ships were delivered. Their quality remains unimpaired under accelerated building.

There are four ships in the C series, ranging from the 412-foot C-1 of 7,400 tons to the 520-foot C-4 of 13,700 tons. The 25,000-ton passenger ship *America*, now the Army's *West Point*, is the only one of its class. Nearly all have oil-fired boilers driving high-speed steam turbines. A few are Diesel-driven. Their lines are smart, with tall cargo booms fore and aft of the main superstructure. Conversion to military use is inherent in C-type design. The Army and the Navy are using many of them for troop ships, fast service of supply, and a large number have been converted to other war uses.

High-speed tankers were also part of the original long-range program. In the face of an oil-industry habit of using slow 9- to 12-knot tankers, the Maritime Commission in 1937 started building 12 fast tankers. All have provided invaluable service in the war, particularly for the Navy, as their speed is greater than "Fleet Speed."

From January through July 1943, a total of 80 tankers aggregating 1,325,500 deadweight tons were delivered, compared to 62 tankers totaling 998,200 deadweight tons produced in 1942.

Principal designs under the wartime standardization program are for the T2- and T3-type tankers. These vessels are of 16,800 deadweight tons, with a capacity of 135,000 barrels. Future schedules call for a still further increase in the production of T2-type tankers. While 80 of the craft had been delivered through July 1943, delivery schedules call for a total of 424 more of this type by the end of 1944.

The oil-tanker production program is being rounded out by the conversion of 102 Liberty ships into oil carriers. These vessels, after reinforcement of bulkheads, installation of extra ventilation systems, addition of piping and pumping equipment, and other alterations, serve as tankers with a capacity of 65,000 to 70,000 barrels each.

Production schedules call for the delivery of 511 additional tankers of all types during the remaining months of 1943 and during 1944. By the end of 1944, a total of 661 tankers will have been delivered since Pearl Harbor.

Emergency Building Program

The Liberty ship is the mainstay of the Maritime Commission dry-cargo fleet. About one-quarter of all United Nations tonnage is in Liberty ships. By the end of this year nearly every third ship will be that standardized 10,500-ton, 442-foot conventional freighter capable of mass production, with an average speed of 11 knots. The majority of the world's dry-cargo vessels are slower than 10 knots an hour.

The Liberty lacks the refinements of the C-type vessels. Her living quarters, equipment, and hull are standardized insofar as possible. Hundreds of small and large plants, many of them a thousand miles from the seaboard, comprise a nation-wide industry to keep a flow of supplies moving toward the 15 yards which construct Liberty ships. If production lags at one manufacturing plant, the needed parts can at once be scheduled from another.

It required time to convert manufacturers of land products into ship suppliers. But once a showcase manufacturer learned to build ventilators, a toy electric-train maker got the hang of turning out compasses, and a stove manufacturer to build lifeboats, the problem shifted to one of schedules and allocations.

It was former practice to outfit ships piecemeal. In the building of a Liberty the lines of material flow into the pre-assembly building where thousands of small parts are put together into finished units. Only the final installations need take place on the ship.

Prefabrication of hull parts, although not new to shipbuilding, has taken great strides. Electric welding permits the construction of sections away from the limited space on the ship ways. Cranes are provided with the power to lift large prefabricated sections into position. The welded ship (usually with some riveted parts) is lighter than its predecessor and has a superior ability to withstand bombs.

Before Pearl Harbor, construction contracts were for 6 months' construction time. In early 1942, schedules calling for Liberties in 105 days from keel-laying to delivery were received with skepticism. The first Liberty, the *Patrick Henry*, had required 244 days.

The 105-day objective was reached on the average for all ships launched in July 1942. By January 1943, the 79 Liberties delivered by all yards averaged 52.6 days, from keel laying to delivery with steam up, ready to take on cargo. All yards are not yet up to this schedule.

About 40 of the 52.6 days were spent on the ways; about 12 days in outfitting after launching. Since 60 days on the ways was contemplated in the original 105-day schedule, a 50 percent average

increase in shipbuilding capacity has been gained.

These averages include the fast yards and the slow ones, and there is a great disparity between them.

The record of cutting down the building time of a 10,500-ton ship from 244 days to 7 days (the *Robert E. Peary* launched at the Kaiser Richmond yards) was not accidental. Behind it lies the Maritime Commission's experience from 1936 to 1939 and its intensive planning when war seemed imminent. Behind it stand the thousands of suppliers and the railroads which deliver the parts. Some builders—such as the Oregon Shipbuilding Corporation, the California Shipbuilding Corporation, Wilmington, Calif., the North Carolina Shipbuilding Corporation at Wilmington, N. C., and the Bethlehem-Fairfield at Baltimore—have combined the talents of management and the skill of shipworkers to do the improbable.

In the last war the Emergency Fleet Corporation concentrated its construction of freighters (smaller but comparable to Liberties) at the Hog Island yard near Philadelphia. The fastest average building time for ships delivered during any 1 month at Hog Island was 225.8 days, and 8 was the greatest number of ships delivered in a single month from Hog Island's 50 ways.

In contrast, the Oregon Shipyard delivered 17 Liberty ships in June 1943, from only 11 ways, and they average 27.8 days. By June 1943, there were better than 5 ships sliding into American waters every day. This includes Liberties, C-ships, tankers, and other large vessels, the average being more than 10,000 tons each.

The construction of ships scheduled for 1943 on the basis of known way capacity is approximately as follows:

Type	Number of ships	Deadweight tons
C-types.....	213	2,086,000
Tankers.....	268	3,250,000
Liberty ships.....	1,195	12,680,000
Others.....	331	941,000
Total.....	2,005	19,712,000

Other Construction

The 331 ships of other types proposed for construction include Great Lake ore carriers, shallow-draft coastal cargo vessels, coastal tankers, tugs, concrete and wooden barges. A considerable tonnage is also being built for the Navy, including frigates and a large number of auxiliary aircraft carriers.

The concrete barge is experimental and subject to controversy among the experts, but has performed well and fills a definite war need. A concrete barge uses two-thirds as much steel as a cargo ship, but of a lower grade and readily available. The barges have been slow in building, and are costly for tonnage delivered. This program has recently been curtailed. The same criticism applies to wooden barges. Both concrete barges and wooden barges are a very small part of the total program.

The Victory Ship

The Maritime Commission foresees a shift-over from the plodding Liberty to a finer and faster ship, still capable of



U. S. Maritime Commission

A Liberty ship is armed against the raiders that infest the seas.

mass production. The Victory ship will be of broader beam than the Liberty and somewhat longer, with greater carrying capacity and a 50 percent greater speed generated by steam turbines.

It is believed that the Victory's speed will allow her under favorable conditions to run alone, and so make turnarounds in perhaps half the time of ships in convoy.

The Victory will take somewhat longer to build than the Liberty. Plans for a supply of turbines and auxiliary equipment are already laid, with mass production to start in 1944. Rapid production will depend upon securing power plants for these vessels, in the face of competition from other claimants.

Manpower Problems

Serious threats to the shipbuilding program lie in the four manpower factors which prevent the full use of capacity and materials. They are: a rapid turn-over of workers, an actual shortage of manpower, loss of work hours, and inefficient use of labor.

There are more than 675,000 workers in the maritime shipyards. In the first quarter of 1943 there was an average 11.2 percent turn-over each month, of which 2 percent represents men inducted into the armed services. On the west coast, where approximately half of our shipping is built, one-seventh of the working force during every month are

newcomers, needing to be trained or broken in to new conditions.

There were approximately 60,000 maritime shipworkers hired during the first 3 months of 1943, and even this number fell 73,000 short of those who could have been used. One answer is to take on more women. The number of women working in maritime shipyards increased from 9.25 percent in April to 11.49 percent in June.

Absences from work from November 1942 through June 1943 ran from 10.3 to 7.0 percent in the larger maritime yards having over 2,500 workers. Current surveys indicate that at least one-third of the absences in maritime shipyards have to do with health and accidents. The shipyards where inexcusable days off are fewest are those where plant and union committees keep close tab on lost days, and where leadermen are made responsible for the attendance of their crews.

Yards are located for the convenience of ships, not men. Dwellings for 100,000 people are in prospect to cure a situation which in some areas today is no better than that officially described in 1917 as "bad housing and shockingly inadequate transportation." However, by spreading the shipyards along three coasts, and facilitating housing and transportation, a marked improvement has been made.

Shipworkers need nourishing food. In many yards lunch is eaten without overhead shelter after a long wait in a

canteen line, sometimes interrupted by the whistle to return to work.

That sickness, inefficiency, swamped communities, and hardship must be reckoned as a cost of breaking ship tonnage records appears from the absentee record for the first 9 months of 1918. An Emergency Fleet Corporation study of 320,000 shipworkers showed that 17.8 percent in steel shipyards and 13.2 percent in wooden shipyards stayed away from work every day over that period.

Operating the Ships

The War Shipping Administration controls 95 percent of American merchant marine tonnage through deliveries from the Maritime Commission, purchase, charter, and requisition. The Army and the Navy each has its own cargo and auxiliary fleet. Each independently operates terminal facilities, warehouses and repair yards; each loads and routes its vessels and discharges cargo through its stevedoring battalions in foreign ports.

WSA owns outright about 70 percent of the tonnage under its control. It requisitions or charters the remainder. WSA leaves the actual running of the ships in private hands with the know-how and the trained personnel.

The coordination of United Nations shipping is studied by the Combined Shipping Adjustment Board, consisting in Washington of Admiral Land; with L. W. Douglas as deputy, and Sir Arthur Salter, head of the British Shipping Mission; in London, W. Averell Harri-man and Lord Leathers.

Turnaround

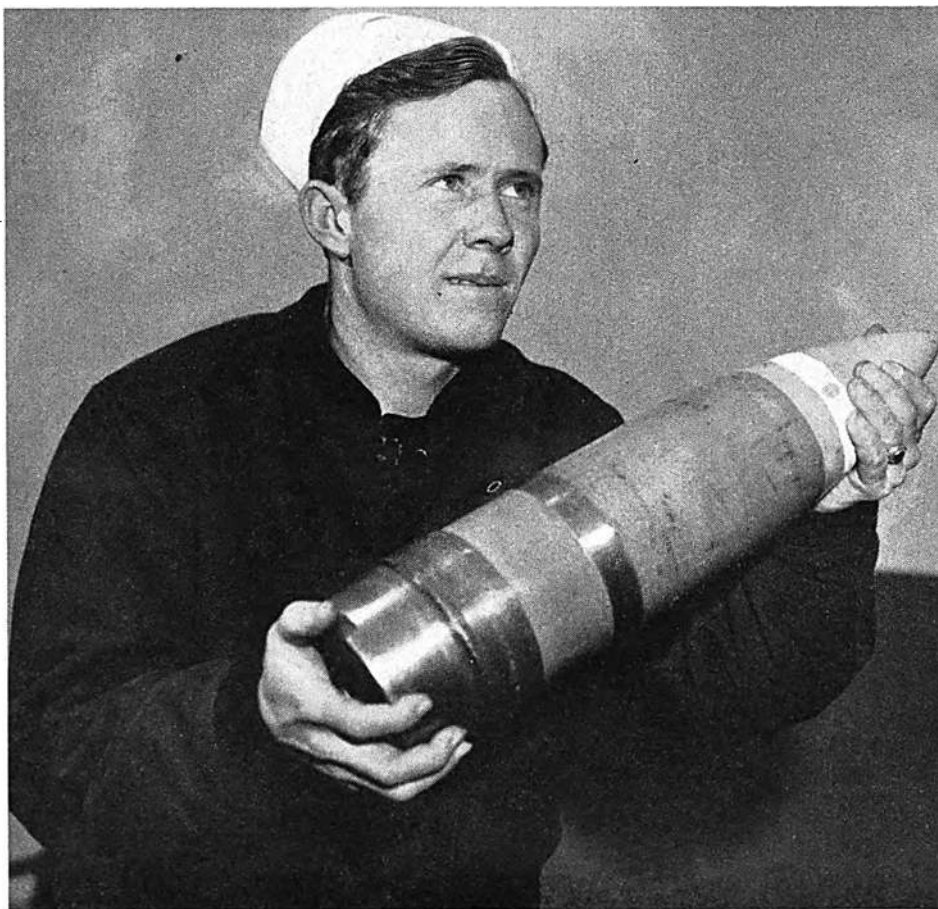
The maximum accomplishment with tonnage available depends on turnaround time, which begins with the loading of a ship and ends with her discharge at the home port. In addition to time taken in loading and discharging, the elements of convoying, distance, harborage, and docking enter into turnaround time.

In the first 6 months after Pearl Harbor, goods went to places where there was a surplus, and some luxury trade continued. Today, these faults are almost cured. In the loading of war goods we are perhaps no more than 10 percent less efficient than under peace conditions. One large cause of the 10 percent loss is the military necessity to stow last those things wanted first upon unloading.

Convoys lose time by forcing ready ships to wait for laggards, by running at the slowest ship's pace, by zigzagging and losing position, by cluttering harbors, burdening facilities through arrival all at the same time, and through waiting turn while other ships discharge their cargo. The turnaround time to England is 70 days, against the 25 days in which a fast freighter could make it alone.

Distances are appallingly increased wherever the enemy lies athwart direct routes. The United States has sent cargoes to the Persian Gulf, a 17,500-mile

(Continued on p. 30)



U. S. Maritime Commission

Passing the ammunition is the daily practice of the Navy Armed Guard on a Liberty ship in convoy at sea.

Engineering Aspects of Today's Progress on the Inter-American Highway

By EDWIN W. JAMES, Chief Inter-American Regional Office, Public Roads Administration

"America is a continent. . . . America occupies, in solitary grandeur, the entire Western Hemisphere. . . . Stately, powerful, unique: such is physical America, discovered by accident, named by mistake." "Columbus discovered America in 1492. Americans waited until 1942."—So speaks Luis Quintanilla in his recent book, "A Latin American Speaks."

Dr. Quintanilla's statement may be emphasized by adding that it has required the repercussions of two global wars to awaken the people of the United States to the facts as they are slowly and somewhat onerously developing. Pearl Harbor changed the face of things as they were. The United States Government suddenly realized that at Panama in the Canal Zone and its surroundings it had not only a huge investment in money but a profoundly vital interest.

Simultaneously, all the Americas realized their geographical unity and solidarity. The western continent—the American Continent—was isolated by war. Exports to continental Europe almost vanished; exports even to the northern half of the American Continent dwindled because water transport alone had been developed in the past.

Toward an Overland Route

Steps were at once taken to open a through overland route between the United States and Panama. Funds were made available, surveys of the incomplete sections were started, and plans made to construct a pioneer road across all the gaps lacking all-weather surfaces.

These gaps aggregated 1,060 kilometers and occurred in every country south of Guatemala. The surveys required stretched to more than 790 kilometers.

The amount of heavy construction and the unusual number of bridges led at once to an adjustment which would provide the most convenient and practicable rail and highway combination from the United States to Panama. This arrangement contemplated the use of the standard-gage railroads in Mexico to the southern frontier at Tapachula or Suchiate and a pioneer road from either or both of those points to Panama. Such a combination would make through traf-

fic possible with a single transfer from rail to truck.

Pioneer-Road Project

The pioneer-road project was authorized in June 1942 by two directives from military authorities, one providing for immediate surveys and the other for construction of a surfaced road on the location of the proposed Inter-American Highway, over all sections which did not at the time have all-weather surfaces. The pioneer-road surface was to have a minimum width of 10 feet, and a thickness of 8 inches of compacted gravel or crushed stone without artificial binder. A maximum controlling grade was set at 10 percent with a tolerance up to 12 percent for short distances.

No maximum curvature was set, as it was expected that the construction would follow the alinement standards of the Inter-American Highway. Advantage was to be taken of the fact that where alinement is fixed a variety of profiles can be laid. With the low standards of the pioneer road and the higher standards of the ultimate Inter-American Highway, this process, if carried through, would assure that only a small fraction

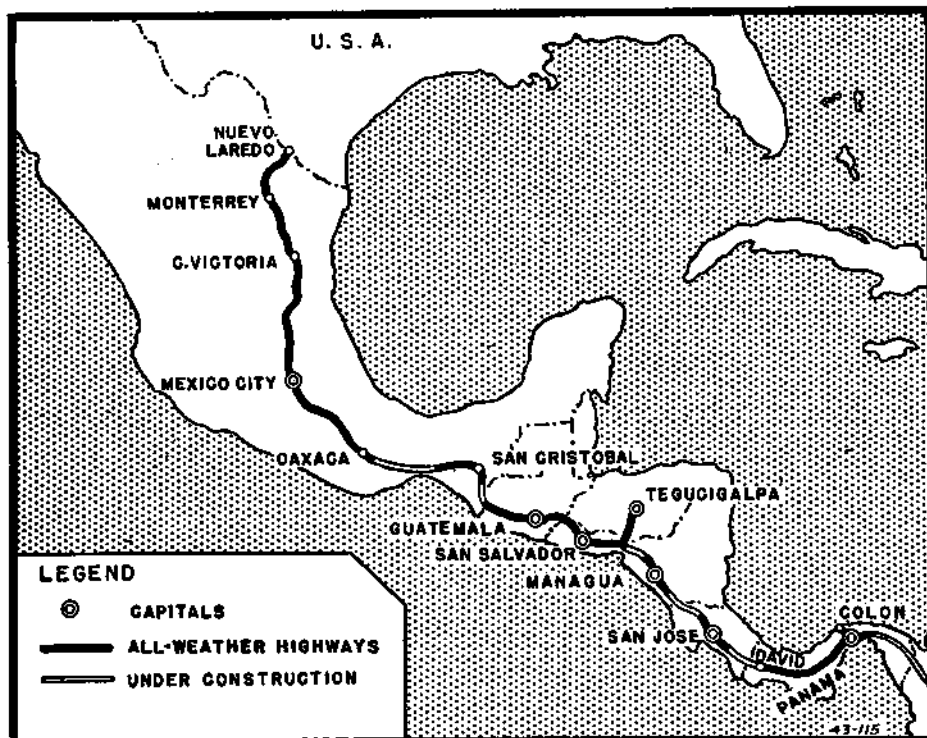
of the work on the pioneer road would be discarded in final construction.

Adjustments and Modifications

An adjustment had to be made also with respect to bridges and culverts. The total number of bridges over 10 feet in length remaining to be built between the southern Mexican frontier and the Panama Canal Zone was 87, and the very large footage of box and pipe culverts needed could be determined only after completion of surveys. It was obviously impossible (with restrictions that affected steel) to fabricate all the needed bridges, or provide reinforcement for so large an amount of concrete as would be required for culverts.

It was stipulated, therefore, that certain hazardous bridges should, if possible, be completed according to final standards adopted for the Inter-American Highway and that other bridges should be made temporary structures, of wood, steel, or masonry, built somewhat downstream and off-line, if possible.

Culverts were treated the same way. Certain ones that could be built exactly in line and at grade of finally anticipated profile could be made permanent—



The Inter-American Highway.

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Coordinator of Inter-American Affairs
The old way is the hard way in Central America.

others should be temporary. It was expected that even some log culverts might be built in the temporary class.

In Charge of Construction

Construction was to be handled jointly by the Public Roads Administration and the United States Engineer Corps, and, because of the conditions existing, it was decided to do the entire job so far as possible by contract. The Engineer Corps was responsible for the pioneer-road work and the Public Roads Administration for the standard work on roads, bridges, and culverts, regardless of whether the drainage structures were on pioneer or standard sections of the road. In all, nine contracts were let for roads and bridges, covering a total of 1,405 kilometers of highway and some 18 bridges.

Three of the Republics having highway organizations partly or wholly equipped took contracts to construct the sections of pioneer road included within their limits. Guatemala undertook to reconstruct an existing dirt wagon road from Malacatan via Avutia, Retalhuleu, to Escuintla. El Salvador contracted to reconstruct and extend a road from San Miguel via Santa Rosa to the Goascoran River, and Nicaragua agreed to build a new road from the vicinity of Jinotepe via Nandaimé, Rivas, and La Virgen to the Costa Rica frontier. It was necessary to provide Guatemala and El Salvador with some equipment additional to that available to the highway department. Such equipment was furnished on a rental basis.

Private Contracts

Private contracts were made with the Foundation Co. of New York, Martin Wunderlich Co. of Jefferson City, Mo., with Swinnerton, McClure & Vinnell of San Francisco, and with Ralph E. Mills Co. of Frankfort, Ky., for road construc-

tion, and with the Frederick Snare Corporation for bridge substructures and steel erection. Bridge steel was fabricated by contract by the United States Steel Export Co.

The Swinnerton contract covers the section of pioneer road in Honduras from the Goascoran River at the Salvador border to El Espino on the Nicaragua line, via Nacaome, Choluteca, and San Marcos, following throughout the location proposed for the final standard construction on the Inter-American Highway. The total length in Honduras is 164 kilometers. In addition, the Swinnerton associates have the northern section in Nicaragua from the Honduras line via Somoto, Condega, and Estelí, to Sebaco, where present standard construction is picked up and continues to Jinotepe.

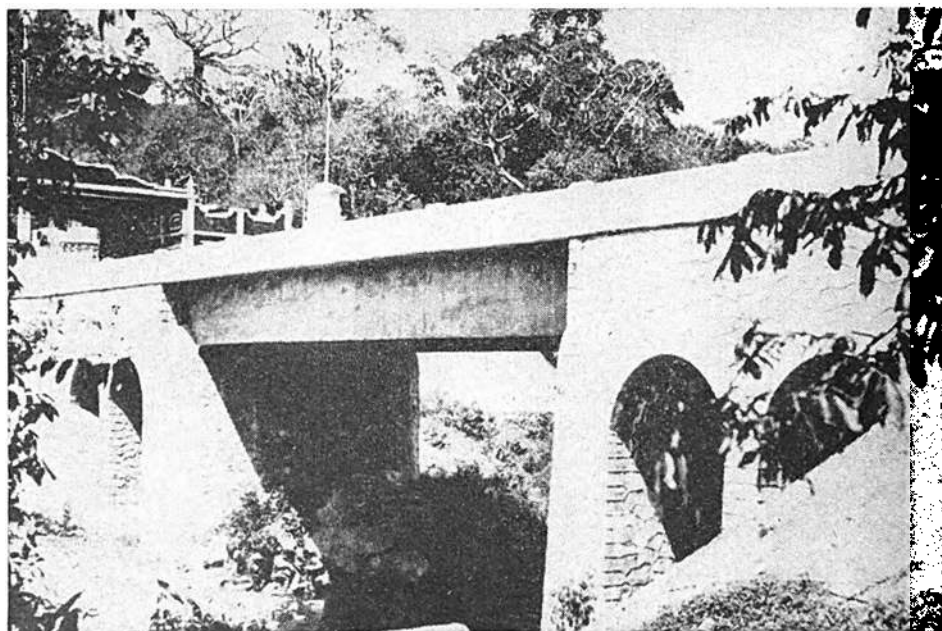
The Foundation Co. undertook to construct the section in northwestern Costa Rica from the Nicaragua line, practically at the shore of Lake Nicaragua, to Naranjo, via La Cruz, Liberia, Canas, and San Ramon. Difficulties, later referred to, in securing equipment and supplies led to the termination of the contract with the Foundation Co. and at this time the work is being carried on by force account.

The Ralph E. Mills Co. has a very difficult section in Central Costa Rica from Cartago to San Isidro del General, about 94 kilometers long, that crosses the Continental Divide at an elevation of 10,931 feet in extremely rough terrain. Wunderlich continues the work in southern Costa Rica down El General valley via Buenos Aires and Paso Real to the Panama frontier at the crest of the Santa Clara range, thence across the Chiriqui Plateau, and down the mountain to Concepcion and David—at which latter place terminates the construction of the Central Highway in Panama from the Canal Zone, 493 kilometers to the east.

The Frederick Snare Corporation was awarded a contract to construct six bridges—one at the Goascoran River, on the Honduras-El Salvador line; two in Honduras at the Guacirope and the Rio Grande near Nacaome; one at the Ochomogo north of Rivas, Nicaragua; and one each at El General and Brus Rivers in southern Costa Rica. This contract has been augmented by additional bridges as steel has been made available. Three additional structures in Nicaragua at the Rio Grande, Aguacatasta and Calabazas, for which substructures are already complete, were first added, and later nine structures in Costa Rica were included. These latter with one exception lie in El General valley between the General and Brus bridges originally provided for.

Difficulties Exceptional

As should be expected, under the circumstances coincident with the develop-



Coordinator of Inter-American Affairs
New bridges have had to be built at many places.

ment of this construction program, the difficulties of organization have been exceptional. Although the project was not undertaken solely as a war measure, because the cooperative construction and the greater part of the necessary funds were provided before the forced entrance of the United States into the war, nevertheless the addition of the pioneer sections and the expedited program were obviously incident to defense activities from the point of view of transportation insurance.

This original plan called for the completion of all surveys, the letting of all contracts, the assembling of all required equipment at convenient points in Central America, the construction of camps and the accumulation of supplies by November 15, 1942, so that with the opening of the dry season construction could be started simultaneously at all possible points. Contracts were let in August less than a month after final instructions to proceed. But the difficulties in securing equipment and forwarding it to points in Central America were such as seriously to retard the initial organization and preparation. Even today not all needed equipment has arrived on the respective sections.

Original Program Not Feasible

The original program called for completion of surveys by November 15, 1942,



Coordinator of Inter-American Affairs
Toward faster transport, better life, in the shadow of the Salvadoran hills.

and completion of the pioneer road by May 15, 1943, at which time the rainy season might be expected to open. This provided for about 6 months of construction season for 1,637 kilometers of road under eight contractors or roughly 35 kilometers per month per outfit. As some sections of the route could be ap-

proached at numerous points besides the ends, it was expected that enough construction gangs would be put to work to complete such a program with relative ease.

The almost complete failure of transportation by water to Central America, from ports of the United States on both coasts not only quite destroyed the possibility of carrying out the original program, but emphasized as almost nothing else could the necessity for the very project that was being prevented by the inevitable course of events.

Indeed, so keen became the pressure to secure some outlet from Central America that plans were successfully carried forward to construct a railroad bridge at the Suchiate River between the towns of Mariscal and Ayutla at the head of rails respectively in Mexico and Guatemala. But the building of the bridge and the creation of a freight transfer station at Ayutla, Guatemala, did not come in time to relieve the need, and so difficult became shipping conditions that one contractor was entirely unable to equip his job and the contract was canceled.

Prolonged Rains Interfere

Other difficulties have been encountered that were not to be expected. The rainy season that normally would have tapered off to 3 or 4 inches for December, with most of that before the 15th of the month, carried on almost unabated in the upper elevations and often in the lower into January 1943, February, and even into March in some places. As the job was in large part one of "making the dirt fly," the continued rains interfered rather effectively.

"Tough Going" in Costa Rica

The completion of the instrument survey over the hitherto unsurveyed section of the Continental Divide in Costa Rica revealed an exaggerated series of con-

(Continued on p. 28)



Coordinator of Inter-American Affairs
The people of Middle America are eager to achieve improvements. This scene is on the Inter-American Highway in Guatemala.

News by COUNTRIES

Argentina

Tariffs and Trade Controls

Rubber Temporarily Exempted from Import Duties.—Crude rubber and rubber manufactures imported into Argentina are exempted from payment of customs duties and other incidental charges, by the terms of decree No. 5904/43, of August 19, 1943. The exemption is to be in effect for 6 months, until February 19, 1944, and will be renewed automatically for 6-month periods until such time as the Executive authority declares the internal rubber supply situation to be normal.

Validity Period of Export Permits Lengthened.—Export permits issued by the Argentine Government will be valid for 120 days instead of the former 90 days, by the terms of decree No. 2991, issued July 20, 1943, by the Ministry of Agriculture, and published in the Boletín Oficial of July 28, 1943.

The decree also provided that all export permits valid on the date of issuance should have their period of validity extended for 30 days. Reason for the decree is the advisability of facilitating exports and of avoiding the inconveniences which arise when a permit expires just before loading operations are begun.

Extensions of export permits under the new terms will be for the same period as the original permit—120 days. The system of applying for and granting extensions is not changed, but officials of the Committee of Exportation and of Industrial and Commercial Development, which controls export permits, are expected to be much more strict in passing on the reasons given by exporters for failures to use permits during the period of validity.

Requests for extension must be filed with the Committee before the expiration date of the original permit, otherwise the application will be treated as a new one. When a permit is granted, the exporter must pay the Committee one-half of 1 percent of the f. o. b. value of the goods to be exported, which amount will not be refunded if the permit is not used.

Agreement to Appoint Commissions to Study and Propose Bases for a Customs Union Signed With Chile.—An agreement between the Argentine and Chilean Governments to constitute a mixed commission to study and propose the bases for a Customs Union of the two countries was signed at Buenos Aires on August 24, 1943. The Mixed Commission is to be formed of six members from each country, who were to be appointed before September 25, 1943, and will be presided over by the Minister for Foreign Affairs of Chile or of Argentina, or, in their absence, by the respective Ambassadors, according to whether

the Commission holds its sessions in one or the other country.

The Mixed Commission must meet as soon as possible, and not later than during March 1944. The first session will be held at Santiago. If necessary, it may call a second meeting to be held at Buenos Aires, but in any event it must finish its work before August 24, 1944.

In addition to the Mixed Commission, each Government shall appoint, also before September 25, 1943, a National Commission, composed of the six members of the Mixed Commission, and as many other members as may be deemed necessary. The National Commissions shall study the various phases of the proposed Customs Union insofar as they refer to the interests of the respective countries and the complementary measures tending to facilitate and to hasten the merging of both economies, and shall draw up proposals to be submitted by each party to the Mixed Commission for study. Each Government will designate one of its six members of the Mixed Commission to be the president of the National Commission.

The National Commissions will begin their work as soon as they are appointed and will communicate to each other the proposals relative to the full Customs

Union or to some of its aspects which they may draw up for submission to the Mixed Commission.

Apart from the studies entrusted to the Mixed Commission and in accordance with the purposes which brought about the present agreement, both Governments shall take, immediately and by mutual consent, all the measures necessary to establish the exemption and reduction of duties and other modifications of the customs regimes which may be enforced in a very short time and which may seem appropriate to facilitate and develop reciprocal trade.

The agreement also provides for the establishment of an appropriate system of payments adjusted to reciprocal-trade conditions.

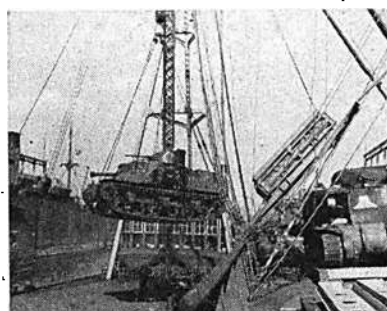
A declaration given as a foreword to the agreement states the understanding of both Governments that "this Customs Union will be open to the adherence of any neighboring country and that it will constitute a first step toward a continental economic organization including the reduction or the abolition of customs barriers."

Convention on Frontier Traffic and Transit Facilities Signed with Chile, with Note on International Traffic.—An agreement establishing regulations to govern the frontier traffic between Argentina and Chile, and the transit of merchandise to or from either of these countries through the territory of the other, was signed at Buenos Aires on August 24, 1943. This agreement is to implement certain provisions of the commercial treaty of June 3, 1933, and of the additional protocol thereto of February 18, 1938, between the two countries.

The agreement sets up detailed procedure for the control at the frontier of private traffic based on the international regulations regarding the circulation of automobiles established by the Paris Convention of 1926. For public-service traffic, the vehicles employed must be registered with the appropriate authorities in both countries, and transportation services shall be governed by the laws of the country through which passage takes place.

Provision is made for free transit through the territory of either country for merchandise in transit to or from the other country, and exemption from import, export, or transit duty, regardless of whether the goods are in direct transit or are transshipped, unloaded, stored, and reloaded during transit. These exemptions do not apply, however, to charges for real services inherent to transit, such as storage and slingage charges, and statistical fees, but each country guarantees national treatment in the application of such charges, as well as for railway or fluvial freight rates. Reservation is made from the freedom-of-transit clause for existing or future measures taken by either country referring to public security; traffic in arms,

The Cover Picture



Loading Tanks

Scenes like this are of exceedingly frequent occurrence nowadays at American ports, as the vessels constructed with such phenomenal speed in our shipbuilding program receive in their holds or on their decks the deadly mechanisms that are destined to wreak havoc on the enemy.

This picture is one of the excellent and continuing series of action photographs in which the U. S. Maritime Commission is recording the progress and results of the activities discussed in the feature article beginning on page 5 of this issue of our magazine.

munitions, and war materials; and the protection of public health, and the health of animals and plants, from diseases, insects, or noxious parasites.

Each of the contracting parties binds itself not to permit the passage to the territory of the other, of goods the transit of which is prohibited by the latter, unless specifically authorized by the other country.

Both countries pledge themselves to prevent merchandise which might be destined for contraband from being accumulated or stored near the frontier, and to take the necessary precautionary measures to this effect. The accumulation of foreign nationalized merchandise and of national merchandise in frontier regions to be commonly agreed upon by the customs authorities of the contracting parties cannot exceed the demands of normal lawful business, that is to say, of local consumption.

The agreement is to come into force on the day following the exchange of ratifications, which will take place at Santiago, Chile, and will remain in effect indefinitely, subject to termination 1 year after denunciation by either party.

In a note signed in connection with the Convention and referring to the Argentine-Chilean Convention of October 17, 1887, relative to Railway Traffic, both Governments agree to draw up rulings for the formality of approving the special combined tariffs for international traffic, and to establish a special procedure for the prompt inspection of baggage in passenger trains.

[See COMMERCE REPORTS of July 1, 1938, and April 2, 1938, for notice of signature of Argentine-Chilean commercial treaty, and unconditional most-favored-nation protocol.]

Belgium

Tariffs and Trade Controls

Serums and Vaccines: Import Duties Removed.—Belgian import duties on serums and vaccines were removed, effective August 17, 1942, by an order of August 10, published in the *Moniteur Belge* of August 14, 1942 (just received).

Coal and Coke for Industrial Use: Import-License Taxes Suspended.—The import-license taxes on coal and coke for industrial uses and coal for the manufacture of coke, collected upon issuance of licenses for importation into Belgium, were suspended on September 9, 1942, by an order of July 31, published in the *Moniteur Belge* of September 7 and 8, 1942 (just received).

[These taxes had been fixed by a royal decree of December 26, 1938, as announced in COMMERCE REPORTS of February 18, 1939.]

Cork: Regulation Governing Purchase, Sale, and Manufacture Revised.—Regulations governing the purchase, sale, transfer, and manufacture of cork and cork products in Belgium, under the Central Wood Office, were revised by ordinances No. 16 and No. 17 of August 6, 1942, published in the *Moniteur Belge* of August 21, 1942 (just received).

Food Centrals Reorganized; Financial Office Created.—The Food Centrals,

which had been established in Belgium on February 1, 1941, were reorganized as public establishments of the State, and a Financial Office of the Food Centrals was created, by two orders of August 1, 1942, published in the *Moniteur Belge* of August 5, 1942 (just received).

These centrals were authorized to make sure of the importation, exportation, and distribution of certain products, and to allocate certain products in commerce or in industry.

The administrator of each central is to fix prices for purchases, sales, and manufacture, to determine profits and general conditions of manufacture and distribution, and to apply taxes on importation and exportation.

Soap and Soap Powder: Price-Equalization Office Established.—A Price Equalization Office for the Industry of Hard Soap and Soap Powder was established in Belgium, by an order of September 9, 1942, published in the *Moniteur Belge* of September 13, 1942 (just received).

Funds for the operation of this office are obtained from sales taxes on fine soap, shaving soap, and soap powder, fixed by the Price Commissioner and payable by manufacturers.

Bolivia

Transport and Communication

New Roads Provide Three Outlets to the Sea.—The Santa Cruz Corumba Railway line is expected to be completed by the close of 1944. With the construction of a highway between Cochabamba and Santa Cruz, direct communication will be possible from Arica, Chile, on the Pacific Ocean, to the Port of Santos, Brazil, on the Atlantic, states a South American trade periodical.

The section now under construction runs from the Bolivian town of Santa Cruz de la Sierra to Corumba, Brazil, from which river-port town there is direct access to Santos. A section of some 93 miles of the track has been completed from funds obtained through the cession of the Territory of Acre by Bolivia to Brazil, it is reported. This railway will give to land-locked Bolivia a free port for its commerce.

The Argentine Government is attempting to give Bolivia a further outlet to the sea through the loan of approximately 12,000,000 pesos, for the con-

Pertinent Comments on World Economy Today

[Being one of a series of excerpts from books, pamphlets, and speeches]

Africa's Economic Significance

An extraordinary development of Africa's physical resources is taking place today. The war has created an insatiable demand for minerals, lumber, foodstuffs, and tropical produce of every sort, draining off surpluses and awakening new demands in hitherto untouched regions.

Under Lend-Lease, military supplies have flowed in a steady stream to the defense of African territories; modern roads and railways have been constructed; air bases have dotted the landscapes, and the airplane has become a familiar sight; ports have been enlarged and improved.

As new needs have arisen under the emergency, the demand has increased for such little-known ores as tantalite or columbite, and for such exotic products as shea butter and kapok and calabar beans and pyrethrum.

In the cause of victory, agents of this Government have flown hither and yon collecting valuable products for shipment to the Allied war machine. The expansion of trade which has occurred in each direction is limited only by the desperately overburdened shipping facilities.

Such has been the impact of war on the economy of Africa that far-reaching results may be anticipated. The artificial stimulus has caused many changes in methods of production and in the utilization of native labor. A new standard of living has been introduced, from which Africa cannot retreat.

Now what of the post-war period? To what extent will our ships continue to ply the waters of Africa, laden with building supplies and machinery on the one hand and returning with valuable tropical cargoes on the other? Common sense tells us that the wartime pitch cannot be maintained, that the requirements of the African bases will diminish sharply.

It is problematical to what degree our Lend-Lease arrangements will permit us to extend the projects which have so materially assisted the common war effort in Africa. War goods will be replaced by peace goods, and our normal shipments of automobiles, radios, leaf tobacco, and hardware will be resumed.

Yet trade is bound to grow over the years. We would not be American if we were not interested in that. Moreover, our recently developed use for some of Africa's products may well persist after the war. The staggering consumption of metals alone may seriously affect our own resources, for instance, of manganese, copper, and tin.

Natural resources such as exist in Africa offer great reservoirs for development and use by the peoples of the world—including those indigenous to Africa.

(From a recent address by Henry S. Villard, Assistant Chief of the Division of Near Eastern Affairs of the Department of State.)

THE BRITISH COMMONWEALTH OF NATIONS



Courtesy Office of War Information

struction of a railway from Yacuiba, Argentina, to Santa Cruz, Bolivia.

Paraguay's consent to a water outlet for Bolivia to the River Plate by way of the Paraguay River is also being sought.

Brazil

Tariffs and Tariff Controls

Fruits: Executive Commission Established for Control, Production, Trade, and Exportation.—The Executive Commission for Fruits, an autonomous commission which will operate in conjunction with the Brazilian Ministry of Agriculture, and which is to control production of and trade in fruits and their derivatives was established by decree law No. 5032 of December 4, 1942, which became effective on December 7, 1942. The Commission will be made up of a representative of the Rural Economy Service acting as president, a representative of the National Department of Vegetable Production, a representative of the Federal District, and a representative from each of the two largest producing States.

The Commission is charged with:

- (a) Drawing up plans for the enlargement of the national fruit industry, beginning with citrus fruits.
- (b) Estimating annually the fruit crops.
- (c) Controlling the production and supply of fruit to the markets.
- (d) Providing and regulating transportation, and improving methods of loading and unloading, traffic, and distribution.
- (e) Promoting, together with the competent organs, the necessary adjustment of tariffs.
- (f) Providing, in conjunction with other organs, efficient advertising for the consumption of fruits and their byproducts in domestic and foreign markets.
- (g) Constructing warehouses, particularly central warehouses, in the large consuming and exporting centers, as well as packing houses and installations for transforming excess crops into essential oils, dried fruits, flours, juices, wine, vinegar, alcohol, feed cake, and other products, which may be obtained.

(h) Supervising central warehouses and all other services supplying the markets, and establishing export quotas, fixing prices to be paid to the producer, charges for improvement and industrialization services, and sales prices to consumers in the case of products sold on the domestic market.

(i) Organizing fruit cooperatives under existing legislation, with the exception that the Commission may appoint and replace the members of the Board of Directors, which are to be picked from fruit growers, cooperative officials, etc., during the first 3 years; the production zones are to be set up by the Commission, and only one cooperative may be established in each zone.

(j) Financing, through producers' cooperatives, the cultivation of fruit.

The Commission is also authorized to create, collect, and dispose of a tax of 1 cruzeiro per case or corresponding quantity of fruit, and must render a monthly account of these funds to the Ministry of Agriculture.

The decisions of the Commission will be issued in the form of resolutions, and will become effective 60 days after their approval by the Minister of Agriculture.

This decree law abolishes the "Regulating Board for the Orange Trade," established by decree No. 3635 of September 18, 1941, to regulate the orange industry.

[See FOREIGN COMMERCE WEEKLY of November 1, 1941, for notice of the establishment of "Regulating Board for the Orange Trade," which has been abolished.]

Mandioca: Executive Commission Established to Control Production, Trade, and Exports.—A Brazilian Executive Commission for Mandioca Products, has been established in the Ministry of Agriculture, to control the production of and trade in amylaceous products, by decree law No. 5031 of December 4, 1942, which became effective on December 7, 1942. The Commission is made up of a representative of the Rural Economy Service, who will be president, a representative of the Service for the Control of Trade in Flour, and one representative each from the northern region, the central region, and the southern region of Brazil.

The Commission is charged with:

(a) Making a systematic study of the zones where mandioca is cultivated, the area planted in mandioca, the methods of production, methods of transformation and products obtained, consumption capacity, and other data for the control of its cultivation.

(b) Setting up or dispossessing plants, as may be required, for a rational organization of the industrialization of mandioca, according to a plan to be prepared and submitted for approval to the Minister of Agriculture.

(c) Taking the necessary measures to protect and control the production and transformation of mandioca, and the transportation and marketing of products derived therefrom.

(d) Negotiating, with a guaranty from the producing States, the necessary credit operations for the general protection of the mandioca industry.

(e) Collecting a tax of 10 percent of the sales value of mandioca products and disposing of these funds for the operating expenses of the credit operations realized, and building up a fund required for the cultivation and industrialization of mandioca and the marketing of mandioca products, and for the expenses of the Commission, subject to monthly accounts being rendered to the Ministry of Agriculture.

(f) Organizing cooperatives for financing mandioca agriculturists, and industrialists, and administering local and central plants.

(g) Appointing and replacing, for a period of 3 years, directors of the cooperatives organized.

(h) Establishing the area within which cooperatives will operate, each zone being limited to one cooperative.

(i) Making agreements with consuming countries, or carrying out agreements already made, which affect mandioca products.

The decisions of the Executive Commission for Mandioca Products will be issued in the form of resolutions which will become effective upon approval by the Minister of Agriculture.

British West Indies

Transport and Communication

New Air Services Instituted Between United States and Jamaica.—Regular weekly air service has been instituted by the Royal Dutch Air Lines (K. L. M.) between Miami, Fla., and Kingston, Jamaica, via Camaguey, Cuba. The service is scheduled to be based at Willemstad, Curacao, British West Indies.

The British West Indian Airways are reported to be planning a link between Jamaica and the United States. Its base is to be Port-of-Spain, Trinidad.

Chile

Tariffs and Trade Controls

Cement: Importation Prohibited Except Under Prior Permit.—The importation of portland cement into Chile for construction purposes was prohibited, except under prior authorization by the Commissariat-General of Subsistence and Prices, according to a decree published in the Diario Oficial of September 1, 1943. Permits will not be granted for imports of cement, the price of which exceeds that of domestic cement.

Colombia

Transport and Communication

Extension of Railway.—Plans have been announced in Colombia for the extension of the Ferrocarril Troncal de Occidente Railway from Anza (Department of Antioquia) to the city of Antioquia. The completion of this section of the railway line will shorten transportation distances between the two cities, as well as open up a rich agricultural area west and northwest of Medellin.

Cuba

Economic Conditions

B. E. W. ESTABLISHES ADVISORY COMMISSIONS

The Cuban Board of Economic Warfare, which is charged with the task of adapting Cuba's economy to present emergency conditions and preparing it for the contingencies of the post-war period, has established several advisory commissions to assist it in the carrying out of its assignment, says the Habana press of September 2, 1943. A separate commission will give special attention to the problems of sugar, tobacco, agricultural matters in general, cattle raising, mining, industry, wholesale trade, retail trade, transportation and communication, money, credit and financing, taxation, labor, and living standards.

Dominican Republic

Economic Conditions

Trade was maintained at a satisfactory level in the Dominican Republic during July, as import and export volumes reflected the improved shipping situation. Stocks of export goods were still large, but less concern was shown regarding their movement than was previously the case. Import stocks of goods other than those in short supply in the United States were satisfactory. There were no food shortages, and the employment situation remained favorable. Retailers reported increased trade during July, with volume approximating 1940 levels. Internal transportation continues to be unfavorably affected by a lack of supplies, and equipment and food prices have risen largely because of that factor.

FOREIGN TRADE

The general export situation has been aided considerably by the clearance of all 1942 sugar, and also by the shipments of starch and molasses. There were still large quantities on hand of the last two items, but the mere fact that some movements have taken place for the first time in more than a year lends encouragement. The total volume of exports during July 1943 was slightly less than the

volume for the corresponding month of last year, owing mainly to the decrease in the rate of sugar exportations. Exports of other items, however, were made at satisfactory prices, and the total value of July 1943 exports was greater than those of July 1942. A shipment of molasses was made to the United States during July, the first movement since the summer of 1942.

AGRICULTURE

With the exception of two small sugar mills which had not yet finished grinding at the end of July, the 1943 sugar-grinding season had been completed. The summer harvest of cocoa was one of the largest in recent years, and a fair portion of this crop had already been moved. Almost all the available coffee for export had been shipped. The main rice harvest was expected to begin at the end of July, but crop possibilities were only fair. A heavy crop of tobacco was expected earlier in the season, but, as the harvest neared completion, it became apparent that results would be disappointing.

Gold Coast

Wartime Commodity Controls

Disposal of Mid-Crop Cocoa.—The West African Produce Control Board will purchase the 1943 mid-crop cocoa of the Gold Coast, according to the Gold Coast Gazette of June 26. A standard price of 5 shillings per head load of 60 pounds has been set, to apply to grades I and II only.

The demand for cocoa for general manufacturing purposes has been very limited, on account of wartime difficulties, and considerable stocks of cocoa are reported still to be awaiting ship-

ment. The mid-crop will be stored with a view to local utilization for making cocoa butter.

Guatemala

Tariffs and Trade Controls

Imports of Cumin Seed Exempted from Differential Customs Surcharges.—Imports of cumin seed, regardless of country of origin, have been exempted, for the duration of the war, from the payment of the customs surcharge of 100 percent of duty and other customs charges, by a Guatemalan customs circular, dated August 20, 1943. This 100 percent customs surcharge has been assessed on imports from countries whose exports to Guatemala doubled in volume during the preceding calendar year, or whose merchandise balance in the preceding year was unfavorable to Guatemala by more than 75 percent.

Iran

Tariffs and Trade Controls

Import Monopolies Expanded.—As a price-stabilization measure, the following commodities were included in an import monopoly in Iran, effective May 23, 1943, under control of the Section of Price Stabilization: Cotton products—yarns, cotton thread, cotton piece goods, socks, stockings, towels, knitted clothing, thread on bobbins, and clothing made from cotton piece goods; gunny bags and wrappers, strings and ropes made from jute and raw jute; soaps and candles; electric light bulbs and insulated wire for electrical wiring; dyestuffs; chemicals of all kinds; automotive vehicles, parts and accessories; tires and tubes;

Cuba Names Committee to Study Post-War Problems

Cuba, one of the first American nations to declare war on the Axis, has become one of the first American nations to prepare for American progress after the war. A National Committee on Post-War Problems, headed by Premier Ramón Zaydín, has been named in accordance with recommendations made at the Rio Conference of American Foreign Ministers in January 1942.

The Committee, symbolizing Cuba's official recognition of the need for post-war planning, will be divided into six subcommittees on juridical, political, social, economic, financial, and public-health questions.

Members of the Committee include the following distinguished figures in the island-Republic's public life: Dr. Antonio S. de Bustamante, famed authority on international affairs; Dr. Cosme de la Torriente, ex-Ambassador to the United States and former President of the Fourth Assembly of the League of Nations; Dr. Jose Manuel Cortina, President of the Cuban delegation to the Inter-American Conference for the Maintenance of Peace and ex-President of the Senate Committee on Foreign Affairs; Dr. Gustavo Gutierrez, former President of the House of Representatives; Dr. Fernando Ortiz, well-known jurist and sociologist, and Dr. Jose Bisbe, of the Habana University Medical School.

In an address inaugurating the Committee's activities, Dr. Emeterio Santovenia, Minister of Foreign Affairs, said: "Prudent and intelligent inter-American politics may be the starting point for the reconstruction of the world, at a time which can truly be called the Age of the Americas. The work of these technical committees may determine the measures capable of placing Cuba, both by itself and in collaboration with other nations, in a position to subsist and prosper during the difficult times which will follow the war."

lamps, oil or kerosene, lamp chimneys, and lamp wicks; chinaware, glassware, and kitchenware; pins and needles; sewing thread and yarns of all kinds other than cotton; paper of all kinds; paper clips, pencils, pens, and penholders; typewriters, typewriter ribbons, carbon paper and mimeograph stencils; ink; coal, wood for fuel, and charcoal.

These commodities will be imported into Iran by the Section of Price Stabilization or by merchants under licenses issued by that office under regulations set forth by the Administrator General of the Finances.

Commodities imported by the military authority of any foreign government for use or consumption by its military forces in Iran and commodities in transit through Iran in custody of the military authority of a foreign government are not subject to this control.

Mexico

Transport and Communication

Losses Averted Through Cooperation of Railways.—Serious losses to banana ejidos (common public lands) in Veracruz and Chiapas, Mexico, through lack of transportation facilities, are being averted by the cooperation of the Mexican National Railways.

According to a Presidential order, the railways will supply equipment as needed for transporting the banana crop to consumption centers or to the frontier of the United States. The National Bank of Ejidal Credit will communicate directly with the railroads, supplying specific data as to transportation needs. No railway equipment is to be supplied to private individuals or organizations until the needs of the Bank, the instrument through which the State functions in relation to the local Societies of Ejidal Credit, have been met.

Netherlands Indies

Transport and Communication

Railway Construction in Sumatra.—The Deli Railway line of northern Sumatra has been "completely restored," says a Japanese broadcast. A permanent railway bridge is said to have been constructed over the Oelar River, some 25 miles south of Medan.

Nigeria

Economic Conditions

A sum of £15,000 has been placed at the disposal of the Governor of Nigeria for the payment of bonuses to peanut growers. Production of other seeds high in oil content—benniseeds and shea nuts—also is being encouraged. The British Ministry of Food has arranged to purchase more than 10,000 long tons of the latter from Nigeria, according to British sources.

Tariffs and Trade Controls

Increased Excise on Cigarettes.—Excise duty, levied on all cigarettes manufactured in Nigeria, has been raised, says the Nigeria Gazette of July 26. The rates on cigarettes sold ex-factory are now £1 3s. per thousand if valued £1 2s. 6d. or less, or £2 4s. 6d. duty per thousand when the value exceeds £1 2s. 6d. Each pound by weight of cigarettes is assumed to contain 400 cigarettes.

Panama

Economic Conditions

During the month of August, the economic life of Panama appeared to be maintaining the even tenor of the few preceding months. The high tempo of imports was sustained, several new Government construction projects were announced, and the increase in Government revenue continued.

Actually, however, retail merchants reported that August sales were off from 20 to 40 percent, compared with 1942, and wholesale inventories began to assume considerable proportions. At the same time, the banks reported that money circulation was down some 25 percent.

A partial explanation for this decline in local business activity is that employment in the Canal Zone and other sources of spending power have declined.

Along with the reduction of employment in the Canal Zone has come the repatriation of foreign laborers who were brought to the Isthmus to work on Canal

projects, and who have now completed their contracts or who have quit their employment.

COST OF LIVING

Government efforts during August to control cost of living received marked attention. Meat shortages and concern over indiscriminate selection of cattle for slaughter led to a "meatless-Monday" decree. A new meat-price structure was established by the Board of Control of Imports, Prices, and Supplies. To enforce its decrees, the price-control agency appealed to the law in a number of instances, and guilty speculators received fines ranging from \$10 to \$200.

Occasional foodstuff shortages were reported during the month. There was a short supply of evaporated milk, attributed to war exigencies. It was predicted in August that the absence of potatoes would continue until late September, when the local supply was expected to be augmented by the crop from Boquete.

AGRICULTURE

The Government continues its program of aid to agriculture, in the effort to increase foodstuff production. In the Santa Maria River valley the Department of Agriculture is making plans to develop an irrigation system. It also has signed contracts with four Cuban and two Peruvian agricultural engineers whose services are to be available to the Republic for at least a year.

The Ministry of Health and Public Works has joined with the Ministry of Agriculture to secure the construction of a number of mutually beneficial enterprises, such as anti-hoof-and-mouth-disease tanks.

COMMERCE AND TRADE

Credit collections generally were still being met promptly, says the August report, but bank financing of imports seemed increasingly to be sought. There was still an abundant flow of money among the citizenry as a whole. Deposits in the Banco Nacional as of June 30, 1943, were \$20,974,733.35, an all-time high. The National Lottery has announced for December 19 its biggest drawing in history.

Import figures for May were released in August and showed an advance, by value, over April 1943 and May 1942. May imports from Latin America, however, fell off as compared with April, and it is generally believed that the high level of imports from the United States is the result of goods arriving which were ordered and paid for several months ago.

The tone of the local stock market continued strong, with quotations during August the same as those for July.

During August the Ministerio de Agricultura y Comercio ordered the closure of eight commercial establishments on the grounds that no foreign merchants could legally obtain a renewal of their business licenses unless they had resided for 5 years within the Republic.

CONSTRUCTION

With the Government's income for the first half of 1943 reaching an all-time

Air Service to Puerto Rico Increased

Air service between Miami and San Juan, Puerto Rico, was recently increased (effective September 19) by two round trips weekly, the Eastern Division of Pan American World Airways has announced.

The increased service, made possible by assigning an additional Sikorsky S-42 Flying Clipper to the route, aids materially in meeting the present wartime demands for passenger and cargo space between the islands and the mainland.

Eighteen instead of 16 flights are now made weekly in both directions. One of the two additional weekly southbound flights is extended to Georgetown, British Guiana, doubling the previous sea-plane service which supplements the present daily land-plane service to that port from Miami.

Effective at the same time, a fifth weekly service was inaugurated to Kingston, Jamaica, from Miami by the extension of S-42 Flying Clipper service operating Kingston-Port au Prince, Haiti, to Miami.

high, \$13,037,757.08, compared with \$9,975,862.47 for the corresponding period of 1942, construction projects actual and proposed were numerous.

The sum of \$144,579.40 was spent during the first 7 months of 1943 in 80 school-repair jobs, and \$38,000 was paid for the purchase of the previously privately owned water system at Chitre. A new story is being added to the Banco Nacional for the use of the Contraloria General. Among the new projects announced is the completion of Avenida Balboa, between Seventeenth and Twenty-ninth Streets, to provide a new route to the Bella Vista residential area. In Colon a new playground is proposed for the Uruguay School, and in Bocas del Toro all the public edifices, especially the Government Palace, the hospital, and the police station, are to be repaired.

In line with increased governmental construction activities, the President has authorized the establishment in the Ministerio de Saluday Obras Publicas of a separate Departamento de Obras Publicas (Department of Public Works).

Building permits in Panama City, with a value of \$325,730, were issued in July, compared with \$129,600 in July 1942 and \$236,000 in June 1943. New construction accounted for \$297,000, additions for \$21,830, and repairs for \$6,000.

On August 11 was inaugurated Colon's finest and newest theater. It has a seating capacity of 1,700, and is said to have cost \$200,000.

New industries projected for the near future are an electric plant to furnish electricity to the town of Rio Hato and an ice plant for Chitre.

TRANSPORTATION

Beginning with August 17, Pan American Airways increased its number of air-mail flights to New Orleans, La., from three to five per week.

Work on the highway from David to El Volcan is proceeding so rapidly that it is predicted it will be open to traffic by the beginning of next summer.

Bus and taxi travel between Panama and Colon has reached such proportions that the Inspección General del Transito has deemed it advisable to establish official terminals at both Panama and Colon.

Philippine Islands

Transport and Communication

Japs Report Completion of Bridges.—Two bridges connecting the roads between San Pablo in Laguna Province and Tiaong in Tayabas Province, as well as San Pablo and Alomines in Laguna Province, Philippine Islands, are to be opened for traffic soon, according to a Japanese broadcast.

Spain

Exchange and Finance

Financial Statement of the Bank of Spain as of June 30, 1943.—A statement

Ruin Marches On

"Conditions are growing more terrible each day," according to a letter smuggled out of the Nazi-occupied Netherlands a few weeks ago. "No one can take his life or job for granted, and the interests of the Netherlands community do not count at all." The letter added that the Germans were removing even the most essential goods and leaving so little food that disease was rampant.

"We comb our hair like savages—with rude wooden combs," the writer stated. "A loaf of bread clandestinely obtained costs 2.70 guilders (\$1.43). A packet of cigarettes which before the war was 15 cents now costs 10 guilders (\$5.40). A single American cigarette, which for Hollanders nowadays is one of the rarest things in the world, costs a guilder (54 cents).

"Yet, all this is nothing if compared to other vexations. The entire strawberry and cherry crops were taken to Germany. Rationed jam consists of glucose, potatoes, synthetic flavorings, and water in which float a few fruit culls to camouflage the fraud. Coffee substitutes are mostly double substitutes, being made of substitutes for macaroni or other flour "ersatz," like ground acorns and bulbs. Nondescript sweepings are added to give the mixture bulk. It is not surprising that intestinal troubles among the Dutch population are increasing at an alarming rate."

of the position of the Bank of Spain as of June 30, 1943, shows assets and liabilities of 22,741,464,369.97 pesetas, which is 290,219,010.22 pesetas less than that shown on the December 31, 1942, statement.

Gold holdings are reported at 749,216,702.32 pesetas, compared with 493,403,577.40 pesetas on December 31, 1942.

Silver held by the Bank amounted to 626,465,140.62 pesetas, compared with 623,806,282.50 pesetas on December 31, 1942.

Currency in circulation on June 30, 1943, amounted to 15,192,937,654 pesetas. This was 546,314,494 pesetas less than the amount of paper in circulation at the end of December 1942.

Tariffs and Trade Controls

Law Regulating Reductions in Import Duties Revised.—A law of December 12, 1942, reestablished the Third Base of the Spanish Customs Tariff Law of March 20, 1906, which prohibits the granting of exemptions from or reductions in import duties to services of the State, railroads, provincial or municipal public works, charitable institutions, industries, companies or private persons.

By way of exception to the foregoing, there will continue to be applied exemp-

tions deduced from precepts contained in special laws, those of a military character in compliance with the law of May 4, 1938, and those incorporated in the text of the customs tariff or ordinances.

Provisions are also made for reductions in or exemptions from import duties when the national interest so requires.

The law of December 12, was published in the Official Bulletin of December 26, 1942, and became effective from the date of publication.

Exports of Specified Fish Products Made Subject to Control of Spanish Bank.—Exports from Spain of anchovies in brine and of canned fish in oil or sauce, were made subject to the control of the "Banco Exterior de España" by an order published in the Official Bulletin of August 6, 1943.

[See FOREIGN COMMERCE WEEKLY of May 22, 1943, for an announcement of the measure authorizing the Banco Exterior de España to control certain foreign trade transactions.]

Switzerland

Tariffs and Trade Controls

New Commercial and Payments Accord Signed with Turkey.—A revised accord concerning commercial exchanges and regulation of payments between Switzerland and Turkey was signed on August 4, 1943, according to an official communiqué appearing in the Swiss economic press of August 9.

The accord was to take force on September 1, 1943, if approved by the two governments, and run for a period of 1 year. It was approved by the Swiss Federal Council on August 19.

In view of the international situation, no important modification is made in the system already in force, which provides the possibility of effecting operations of private compensation of payments in free currencies between the two countries. The new accord, nevertheless, fixes in principle what categories of Turkish raw materials may be obtained in private compensation against Swiss merchandise. This innovation is intended to avoid certain compensation difficulties met previously by exporters of Swiss machines.

Service on the Turkish public debt in Switzerland, as well the transfer of certain private Swiss financial credits, will continue to operate by means of importation into Switzerland of specified Turkish merchandise.

Transport and Communication

Urban Transportation, Zurich, in 1942.—The Zurich Tramway Corporation, Switzerland's largest urban transport medium operating trolley and motorbuses, reports that a record number of 100,500,000 passengers were carried in 1942, compared with 93,540,000 in 1941. This exceeded by 5,000,000 passengers the former high peak reached in 1939.

The length of bus routes traversed was curtailed in 1942, owing to lack of fuel

(Continued on p. 29)

News by COMMODITIES

Automotive Products

JAPANESE DESIGN SIMPLE-STYLE TRUCK

A purely Japanese-style truck has been designed by the Japanese Motor Vehicle Technical Commission, according to claims of a Japanese broadcast.

The body is made entirely of wood and has a cotton-cloth awning. It is a straight-line model, requiring little labor and material. The usual gasoline engine is replaced with one specially designed for burning substitute fuels. This makes it possible to dispense with the gas exhaust tube at the rear. Trucks of the new type, it is said, are to be ready for operation in September.

Chemicals

INCREASED USE OF CAUSTIC SODA IN ARGENTINA

The consumption of caustic soda in Argentina has increased considerably owing to greater activity in the soap, cellulose, textile, and chemical industries, says the foreign press.

It is estimated that 40,000 tons will be required in 1943. Domestic production can meet about 30 percent of that amount, but the remainder must be imported.

SALT PRODUCTION IN OCCUPIED CHINA

In the salt industry, the Japanese have concentrated their efforts in Occupied China on the development of the Changlu (Hopei Province), Shantung, and Haichow salt fields.

If all plans had been carried out, production in 1942 would have reached 1,814,000 tons. Production in the Changlu field was scheduled for an annual increase of 700,000 metric tons by 1942. It was also planned that an additional 314,000 tons would be obtained from reclaimed fields and that new fields would

produce an extra 800,000 tons. However, in 1939 a typhoon caused severe damage to the salt beds and also destroyed 800,000 tons of stored salt. The production goal is now expected to be reached in 1945.

Shantung's salt fields also were damaged, with the loss estimated at more than \$2,000,000. Only 450,000 tons were produced in 1939 and the amount exported to Japan had to be reduced from 290,000 tons to 150,000 tons.

A second typhoon in 1939, on the northern coast, added to the difficulty of increasing the salt output.

SOUTH AFRICAN FIRMS ENLARGE PRODUCTION

The Sodium Chemicals concern has recently enlarged its plant in South Africa for the production of sodium sulfate, a British chemical magazine reports. When the plant is operating at capacity, the monthly output is expected to reach 100 tons.

A new furnace has been installed to increase production of sodium sulfide; other additions to the existing plant are under consideration.

The output of silicate of soda has also been stepped up, it is stated.

Stove polish, made in cube form, cream furniture polish, and teak oil are among the new products manufactured by a Johannesburg firm, a British chemical publication reports.

The raw materials used are of South African origin, it is stated.

MANUFACTURE OF ARTIFICIAL FERTILIZERS, SWEDEN

Sweden's annual production capacity for artificial fertilizers is now about 18,500 tons in nitrogen content, a European chemical publication states. In 1939 only 9,075 tons were produced.

Synthetic nitrogen fertilizers are manufactured by Stockholm Superfosfat A. B. Ammonium sulfate and ammonium nitrate are produced at Ljungaværk.

Since 1941, calcium cyanamide has been manufactured at Alby and Sundsvall; the future yearly output is estimated at 40,000 tons.

U. K. DEVELOPS LIME DEPOSITS IN SCOTLAND

New sources of agricultural lime have recently been developed in Scotland, a British chemical publication reports.

An excavator and screening plant have been installed to treat the sand at John o'Groats, Caithness, and production is said to be substantial.

A new plant, with an annual capacity of 12,000 tons, has been established near Blairgowrie to work the Loch Tay deposit. Attempts are also being made to increase the use of the lime deposits in Banffshire.

It is hoped that Scottish lime production for the 1943-44 season will total 200,000 tons. This would represent a 120-percent increase over the pre-war output.

SALT PRODUCTION IN YUGOSLAVIA

Yugoslavia has an annual salt production sufficient to meet the needs of southeastern Europe, a foreign chemical publication reports.

Recent statistics are not available, but the output during 1939, the last pre-war year, amounted to 54,213 metric tons.

Coal and Fuel Gas

PRODUCTION IN CHILE

Output of the Chilean coal mines in April was 15,234 tons under that of March 1943, bringing the production in April down to 171,495 tons. The decreased output was attributed to fewer days worked in the mines.

Increased coal production is the responsibility of the recently appointed Coal Coordination Committee, which has authority and funds to combat obstacles, chief among which are absenteeism and the need for equipment.

MANCHURIAN PRODUCTION WILL BE INCREASED, JAPS CLAIM

Production at Sungwan and Shihjen-kow collieries in Manchuria will be increased, the Japanese radio reports, by the adoption of hydraulic-pressure methods of mining and the addition of a fleet of electric locomotives at the mines.

USE OF GAZOGENE IN SERBIA, YUGOSLAVIA

Gazogene (gas generated by burning wood or coal) will be used increasingly for fuel in Serbia, Yugoslavia, according to all indications. Requests for the re-conversion of automobiles to permit operation with gazogene must be addressed to the proper authorities.

Construction

BUILDING ACTIVITY CURTAILED IN JAMAICA, B. W. I.

Owing to restrictions regarding the granting of licenses to purchase materials and to erect buildings, construction activities in Jamaica are practically at a standstill. The shortage of building materials includes imported lumber, reinforcing steel, cement, corrugated iron sheets, and hardware.

IRRIGATION PROJECTS IN BULGARIA

Pumping stations of large capacity have been installed in the Province of Ruse, Bulgaria, in connection with a project to irrigate approximately 17,500

Britain Breaks up Cars

During the next 18 months, in Great Britain, 250,000 old automobiles are to be stripped of re-usable parts and then broken up for ultimate use in war weapons.

Car breakers expect to salvage 20,000 tons of iron, 500 tons of cast aluminum, 250 tons of textiles, 100,000 tires for retreading, and 125 tons of rubber, reports a foreign publication.

acres of meadow and farm land in that area.

Another pumping station is being installed in the Ruse district to utilize water from the Danube River for irrigation of 7,500 acres, it is reported.

NEW COMMERCIAL AIRPORT, ONTARIO, CANADA

A commercial airport is being constructed near Fort William, Ontario, Canada. This airport, 300 acres in extent, is being built by the Department of Transport. It will serve as a landing place for incoming and departing airplanes between Canada and the United States for customs and immigration inspection, says a Canadian aviation magazine.

NEW HOTEL PLANNED FOR CHILE

A hotel will be constructed at Lake Llanquihue, in the famous lake district of southern Chile, by the State Railways and the Corporación de Fomento (Development Corporation). A stock company is being formed, to be known as the Hosteria Lago Llanquihue, and subscriptions of 450,000 pesos are being made by the Railways and the Corporation. The sum of 300,000 pesos will be private capital.

HOSPITAL CONSTRUCTION IN CHILE

A modern hospital to cost 7,800,000 pesos (approximately \$250,000 in U. S. currency) is under construction at La Serena, Chile. Its facilities will include surgical and maternity wards, a children's section, and private rooms.

The new hospital is being constructed near the present hospital in La Serena so that the better buildings of the old establishment may be utilized. The total capacity of the buildings is 400 beds.

A model hospital is projected for Temuco, Chile, approximately 200 miles south of Santiago. Plans have been drawn for a building costing slightly under 10,000,000 pesos (\$322,600, U. S. currency). The exact location of the hospital has not been selected, as funds are not yet available.

COLOMBIAN CITIES BUILDING HOSPITALS

Construction work is to commence soon on modern hospitals in the cities of Remedios Zaragoza, and Segovia, in the Department of Antioquia, Colombia, at approximate sums of 30,000, 30,000, and 50,000 pesos, respectively.

Work is reported to have been suspended on the hospital in Abejorral because of depletion of funds. Money is being sought to complete this project and to initiate similar works in Tamesis, Puerto Barrios, and Canasgordas.

The city of Medellin recently acquired a site in the business area on which to erect a modern six-story building for the offices of the Empresa de Energía Eléctrica.

HIGHWAY CONSTRUCTION IN COLOMBIA

The sum of 150,000 pesos is being expended each month on the highway between the ports of Cali (Valle del Cauca) and Buenaventura. This road under construction for 15 years, is expected to

be completed before 1944, reports the foreign press.

PORT AND HIGHWAY CONSTRUCTION IN MANCHURIA

Port facilities and highways at the Port of Tatung, at the mouth of the Yalu River, in Manchuria, are expected to be completed next April, states a Japanese broadcast. Construction work is reported to be 20 percent completed and this year's budget calls for the expenditure of 14,000,000 Manchurian yuan and 1,490,000 man-days of labor.

NEW RAILWAY STATION, SOUTH AFRICA

A railway station and offices are scheduled for construction at Port Elizabeth, South Africa, at an estimated cost of \$2,000,000. The station is to be at least 8 stories high, possibly eleven, and will contain offices to accommodate a staff of from 500 to 600 persons. Building operations are scheduled to begin when the requisite materials are available.

SOUTH AFRICAN DAM COMPLETED

The Kalkfontein or Kraaipoot Dam on the Riet River near Petrusburg, Orange Free State, South Africa, is now completed, and will store 80,000,000,000 gallons of water. This was under construction for 5 years, states a foreign press item.

Electrical Machinery and Equipment

ELECTRIC-POWER PRODUCTION IN ARGENTINA

Cia. Italo-Argentina de Electricidad of Buenos Aires, Argentina, generated 390,000,000 kilowatt-hours in 1942, the foreign press says, more than one-third of which was produced by using vegetable fuels.

During the year, two boilers at the New Port station were altered so that pulverized cereals could be used for fuel, and two others were converted to burn corn. Vegetable fuels were also used in the Pedro Mendoza station.

In both cases, it was necessary to install special handling, storage, and pulverizing equipment to take care of the new type of fuel.

BULGARIA'S ELECTRIFICATION PROGRAM

A thermoelectric plant is to be constructed on the property of the State coal mines at Pernik as part of Bulgaria's 1943 electrification program, a foreign trade journal says. Plans call for a 50,000-horsepower steam turbine and the utilization of waste coal for fuel. Power will be transmitted to Sofia and the northwest part of the country as far as Plovdiv.

In 1942, electricity was supplied for the first time to 11 towns and 166 villages.

New Peruvian Cooperatives to Grow Cinchona Trees

Cultivation of cinchona trees for production of quinine is one of the objectives of new agricultural cooperatives being established in Peru. Opening of big hemisphere markets for quinine and other tropical materials formerly imported from the Far East has focused the attention of Peruvian cooperatives on opportunities for developing export trade.

The agricultural cooperative movement has been growing rapidly in Peru, as illustrated by the recent organization of 20 new ones in the Province of Huanuco. These cooperatives will give special attention to cinchona for Peru's expanding quinine industry.

In the past year, according to a report from Peru, 45 agricultural cooperatives have been established in the republic with a total membership of nearly 5,000.

REGULATION OF POWER PRODUCTION, MANCHURIA

Electrical enterprises in Manchuria are now being regulated by the Government, a Tokyo radio broadcast states.

Regulations have been issued covering practically every phase of power production and distribution, including the mobilization of electric power and equipment, control of installations and electrical machinery, control of public officials dealing with electrical enterprises, restrictions on consumption, and development of generating facilities.

Plants not established in accordance with the Government rulings may not generate, supply, or distribute electricity freely.

INSULATOR MANUFACTURE, NETHERLANDS INDIES

Engineers of the West Java Electric Co., Java, have succeeded in developing high-voltage insulators of fireproof brick and coke, says a Tokyo broadcast. Previously, high-voltage insulators were imported.

Raw materials necessary for the production of the new-type insulators are abundant in Java, and plans reportedly are being made to manufacture them in large quantities.

ELECTRIC-POWER PRODUCTION IN SWEDEN

Sydsvenska Kraft A. B., which is capitalized at 22,292,800 crowns and is the largest privately owned electric-power company in Sweden, has reported that net profits in 1942 amounted to 4,200,000 crowns, compared with 3,970,000 crowns in 1941.

Activities of the company and its subsidiaries cover that part of Sweden lying south of an imaginary line drawn from Halmstad on the west coast through Nassjo to Vastervik on the east coast.

Allocation of Textiles for Export

Allocations of textiles for export, excluding military and Canadian, for the second half of 1943 to date represent approximately 3 percent of United States production for this period of cotton, rayon, and wool fabrics, Frank L. Walton, Director of the Textile, Clothing, and Leather Division of the War Production Board, announced several days ago.

The total allocation for the 6-month period is 192,300,000 yards of fabric which is now authorized for procurement. This is an increase of 105,800,000 yards over the July 2 announced allocations for this period.

These fabric allocations are composed of 183,600,000 yards of cotton fabric, 3,060,000 yards of wool fabric and 5,638,000 yards of rayon fabric. In addition, 990,000 dozen garments have been allocated which will require approximately 20,000,000 yards of cloth.

Yarn allocations for export for the second half of the year are 2,850,000 pounds of cotton, 3,500,000 pounds of rayon, and 6,650,000 pounds of wool, a total of 13,000,000 pounds, which is about 1½ percent of the production. In addition, approximately 2,000,000 dozens of knitted items have been authorized, totaling some 7,000,000 pounds of various yarns. These range from small items such as socks and caps to underwear and sweaters.

These compare with the production figures, for the first 6 months, of 6,755,000,000 linear yards of fabric and 909,100,000 pounds of yarn. Mr. Walton estimated that the total production for the second half of the year should reach about the same figures.

While additional allocations for foreign shipment undoubtedly will be made in the remainder of the year, the total authorization should be about 5 or 6 percent of U. S. production, Mr. Walton said.

All these demands are carefully screened by the Government agencies involved and by the Textile Requirements Committee, which is made up of representatives of all claimant agencies, he said. Substitute materials have been accepted for export in a great many instances as a matter of cooperation.

"The quantities of allocations for export," Mr. Walton said, "are considered a definite and important part of the war program, and it is important for producers of the needed fabrics and yarns to cooperate with the export program and handle these orders quickly and properly. I feel that the essential needs of this country can be met, and at least most of the essential needs of our Allies, but we must think in terms of 'essential'."

Several improvements and extensions were made during the year to increase the supply of power available to the State Railways, municipalities, and other large consumers. Work also continued on the 14,000-kilowatt hydroelectric plant at Traryd on the Lagan River. This project was started in 1941 and is scheduled for completion by the autumn of 1944.

MANUFACTURE OF ELECTRICAL PRODUCTS, SWITZERLAND

The electrical-manufacturing industry in Switzerland had a less satisfactory year in 1942 than in 1941, mainly because of transportation difficulties and serious shortages of raw materials. Many foreign markets are now inaccessible, and domestic demands—never large enough to provide much work for the industry—decreased during the year.

Few export orders were accepted unless the buyers agreed to furnish necessary raw materials.

Foodstuffs and Allied Products

AGRICULTURAL PRODUCTION IN SWITZERLAND

Agriculture is becoming increasingly important in Switzerland because of the difficulties of importing food. Approximately 64 percent more land was under cultivation in 1942 than in 1934.

Some sections of the country suffered from drought, and some from hail, in 1942, but, generally speaking, the weather was favorable. The total value of field crops for the year amounted to 661,000,000 francs, an increase of 22 percent over 1941.

Lack of imported feedstuff compelled many farmers to reduce their herds of livestock and poultry and this, in turn, was responsible for lowered production of meat, eggs, milk, and cheese. The value of livestock was reported as 1,123,000,000 francs—a drop of 3 percent from 1941.

Fruit crops were better than had been expected early in the season. The grape harvest was approximately 20 percent above the average for the last 10 years; the pear harvest about 13 percent above that of 1941; and the cherry crop about normal. The crop of marketable apples, however, was 30 percent below the 1941 crop.

Cocoa

DECREASED PRODUCTION, BAHIA, BRAZIL

The Cocoa Institute of Bahia, Brazil, has lowered its estimates of the intermediate crop (which runs from May to September) from 600,000 to 350,000 bags of 60 kilograms each, and of the total crop for the year, from 2,000,000 bags to 1,700,000. Cold weather and too much rain are responsible for the revision of the estimates previously announced.

Exports of cocoa beans from the State of Bahia totaled 74,354 bags in July 1943, compared with 77,099 in July 1942.

The following table shows stocks on hand at the end of July 1943, movements during the month, and comparable figures for the preceding 3 years:

(In bags of 60 kilograms each)

Cocoa—	1940	1941	1942	1943
Arrivals.....	232,837	220,187	143,870	87,044
Exports.....	189,987	205,505	77,099	74,336
Stocks.....	55,871	45,347	208,899	249,915

COCOA YIELDS IN DOMINICAN REPUBLIC

The summer crop of cocoa in the Dominican Republic yielded approximately 260,000 bags of 70 kilograms each—an exceptionally large harvest.

Though the quality of the summer crop was generally satisfactory, most producers and exporters are dissatisfied with the present condition of cocoa plantings. Much of the cocoa is produced by small farmers who do not wish to invest their limited capital in improving the trees and soil. Consequently, trees are allowed to grow in a semiwild state and many suffer from insect pests. The Dominican Department of Agriculture is cognizant of this situation and hopes to correct it through the work of traveling agents.

The next cocoa harvest will begin about November, and exporters are anticipating a yield of 110,000 to 120,000 bags.

Grain and Products

ARGENTINA TO INCREASE PLANTINGS

The Argentine Ministry of Agriculture has requested that present production levels be maintained and that sowings of grain crops be increased wherever possible, the foreign press says. This is a reversal of the Government's former policy of requiring farmers to reduce acreages of certain crops.

Present stocks of corn are reported to be practically exhausted.

GRAIN PRODUCTION, SASKATCHEWAN, CANADA

Based on conditions as of August 26, the following estimates of 1943 grain production in the Province of Saskatchewan have been prepared by the Saskatchewan Pool Elevators, Ltd.

Crop	Number of acres planted	Estimated production
Wheat.....	10,260,000	Bushels 156,848,700
Oats.....	6,482,000	210,769,750
Barley.....	3,316,000	82,293,440
Rye.....	339,900	4,363,391
Flax.....	2,084,400	12,398,309

ECUADOR'S BUMPER RICE CROP, 1943

If the Ecuadorian rice trade's estimate of 2,000,000 quintals (of 101.4 pounds) from the 1943 crop is realized, this year will be the most bountiful in the history of rice production in that country. Because former heavy shipments of rice from the Orient are no longer available

to the large rice-consuming population of Central and South America and the West Indies, Ecuador has found a most lucrative market for its surplus rice production in these countries.

Large quantities of rice have been exported this year to Panama, Cuba, and Peru, and indications are that Ecuador will export even larger quantities of rice in the next few months, if adequate shipping facilities become available.

Sugar and Products

DECREASED PRODUCTION IN DOMINICAN REPUBLIC

With the exception of two small mills on the north coast, all Dominican sugar mills have now ceased grinding. Almost the entire output of the two small mills still grinding is consumed locally.

Sugar production for 1943, as of July 31, was about 470,000 short tons.

ECUADOR'S 1943 SUGAR HARVEST

The 1943 Ecuadorian sugar harvest is estimated at about 10,900 short tons, as compared with 12,320 tons in 1942.

The sugar harvest in Ecuador is spread over a number of months—this year it commenced on July 15 and is expected to proceed until the end of December.

The 1942 harvest was one of the largest in recent years and was such as to permit a carry-over of approximately 2,535 short tons. Owing to this carry-over, it is hoped that it will not be necessary to import any sugar in 1943 or in the first half of 1944.

YUGOSLAVIA'S 1943 SUGAR-BEET CROP

The sugar-beet harvest in "Croatia," Yugoslavia, was expected to begin about the first week of September, says the Nazi press. The crop suffered considerable damage from drought and insects at the beginning of the season, and new sowings were necessary in some places. It is believed that approximately 10 percent of the planted area was lost as a result.

Production from approximately 12,000 of the 19,000 cadastral jochs under cultivation will be handled by the sugar factory in Osiek (1 cadastral joch=1.422 acres). A second sugar mill, the Sladorance Joint Stock Co., also will be in operation this season.

Vegetables and Products

TOMATO EXPORTS FROM CANARY ISLANDS

Tomato exports from the East Canary Islands during the second quarter of 1943 amounted to 472,702 baskets of 12 kilograms net, or 5,672 metric tons net, according to an unofficial source. This is about 700 metric tons net below those of the corresponding quarter of 1942. Continental Spain received 421,954 baskets and Switzerland 50,748 baskets. The Las Palmas "spot price" for the packed basket of tomatoes, 12 kilograms net, in the continental Spain trade averaged approximately 15 pesetas.

SOYBEAN PRODUCTION IN YUGOSLAVIA

Soybeans are becoming an increasingly important crop in "Croatia," Yugoslavia, says the Axis press. Soybean cultivation

amounted to 7,411 hectares in 1941 and 9,308 hectares in 1942.

Furs

HEAVY DEMAND AT CANADIAN SALE

Hectic bidding marked the August 18 sale of Little Bros. Fur Sales Agency, Ltd., Vancouver, British Columbia, Canada, and all offerings were quickly sold, at prices not attained since 1919-20.

Muskrat pelts totaling 20,000, were offered at prices of \$2.60 to \$4.09 indicating an advance of 25 percent. Beaver (1,500 skins), cross fox (100 skins), white fox (1,800 skins), and lynx (100 skins) advanced 10 percent. Beaver pelts brought prices of \$18 to \$74; cross fox, \$18 to \$60; white fox, \$16 to \$47; and lynx, \$25 to \$100.

Iron and Steel

JAPS CLAIM PRODUCTION RECORDS IN MANCHURIA

New iron-production records will be established by the Tungpientao Development Co., in Manchuria, as the result of improved transit and loading facilities and new refining methods, states the Japanese radio. Expansion plans for the company's high-grade steel plant have been announced, and the completion of a number of small blast furnaces is scheduled for September.

Leather and Related Products

MANUFACTURE IN SOUTH AFRICA

A recent 20-percent cut of army-boot requirements enabled factories in Port Elizabeth, South Africa, to work on civil-

ian orders, some of which were of a year's standing.

Export of hides suitable for use by South African tanneries has now been restricted by the Controller of Leather, a step which is expected to ease the shortage of light, vegetable-tanned leather for outsole use. Tanners are using dry-salted and sun-dried hides to make up for lack of sufficient wet-salted hides.

Lumber and Products

CANADIAN EXPORTS

Exports of lumber from Canada to the United Kingdom during the first 5 months in 1943 were more than triple the total for the corresponding period in 1942, states a British lumber magazine.

Shipments to the United States for the first 5 months of 1943, however, were less than half the 1942 figure for the corresponding months.

REFORESTATION IN CANADA

As an addition to British Columbia's reforestation program, a location has been chosen for a third forest nursery, on Vancouver Island, near Duncan, a Canadian industrial journal reports.

The nursery will occupy 20 acres of land and will have an ultimate capacity of 6,000,000 trees. During the past season, 6,000,000 trees were planted in the Province on 7,000 acres, bringing the total to 25,000,000 trees planted on 29,000 acres.

OUTPUT OF FOREST PRODUCTS, NEW BRUNSWICK, CANADA

New Brunswick's output of forest products in 1942 amounted to \$56,000,000, an increase of \$14,000,000 over 1941, the Canadian lumber trade reports.



Sawn-lumber production totaled 300,000,000 board feet, about two-thirds of which was exported. Veneer and wood-working plants had an output valued at \$3,000,000.

Six pulp-and-paper mills in the Province accounted for the largest share of the 1942 total—\$30,000,000—of forest products.

BALSA PRODUCTION IN COSTA RICA

Surveys have indicated that Costa Rica's balsa production in 1943 may be a substantial addition to the major supply from Ecuador, the foreign press reports. The yield this year is expected to run from 2,000,000 to 4,000,000 board feet.

International Balsa plans to operate a 1,500-acre plantation in Costa Rica for experimental work on the cultivation and commercial production of balsa.

FRANCE RECEIVES WOOD FROM FINLAND

Considerable interest attaches to the arrival in France this year of a shipment of Finnish wood, say European trade press reports.

Exports of wood to France from Finland and Sweden ceased at the beginning of the war, and this cargo is practically the only one received of Finnish origin. Although the quantity was small—about 1,200 standards (1 standard=1,980 board feet)—the sale has been noted by Finnish and Swedish exporters, it is stated.

DOOR MANUFACTURE STANDARDIZED, NEW ZEALAND

As a war measure to conserve timber and labor, the manufacture of doors will be standardized in New Zealand, according to an announcement by the Minister of Industries and Commerce. A specification has been prepared by the New Zealand Standards Institute.

NICARAGUAN ANDIROBA MAY BE SUBSTITUTED FOR MAHOGANY

Andiroba, a tropical hardwood found in Nicaragua, may prove a substitute for mahogany in the manufacture of plywood for mosquito boats and aircraft.

The tree, which also is known locally by the names "pochote" and "cedro macho," averages 100 feet in height and probably belongs to the mahogany family. It grows in the eastern part of Nicaragua along the streams and on low hillsides and is found in many places near the coast where mahogany has been cleared out.

Samples of the wood have been sent to the United States for testing, and it is hoped that experiments will show it to be suitable for plywood construction. If the results are satisfactory, about 2,000,000 board feet of andiroba could be shipped within a 12-month period, it is estimated.

SWEDEN SELLS PLYWOOD TO SWITZERLAND

A substantial increase has been recorded in sales of Swedish plywood to Switzerland, the European press reports.

The Swiss market has shown great interest in fir plywood from Sweden, it is stated. An expanding export trade seems likely despite the somewhat unusual specifications requested by Swiss buyers.

Machinery, Other Than Electrical

MANUFACTURE IN SWITZERLAND

Lack of raw materials handicapped the Swiss machinery industry in 1942. Orders in most cases exceeded production capacity, and ordinarily export orders were accepted only on the condition that the buyers furnish necessary raw materials.

Manufacturers of precision tools and machinery appear to have little cause to worry. They have ample skilled, technical labor, and their products are in demand throughout Europe. So long as other countries are able to supply raw materials, most of these firms should be well employed.

Motion Pictures and Equipment

THEATER SHOWINGS IN ADEN, ARABIA

Aden, Arabia, has six privately owned and operated motion-picture theaters, one in the district known as Khor Maksar; two in the European district, Steamer Point; and three for Arabian and Indian audiences in Crater. Seating capacity ranges from 200 to 1,000, and total yearly attendance is estimated to be about 400,000.

The theater in Khor Maksar presents two performances each evening—the first, a British or United States film, and the second, an Indian picture. The other theaters ordinarily have one showing, be-

Nippon's Useless Treasures

Harassed by shipping shortages, the Japanese have virtually admitted their inability to utilize fully the vast rubber resources of the Netherlands East Indies and other occupied rubber-producing areas.

A recent Tokyo broadcast said that it had been necessary to introduce a quota system for rubber plantations in Java in order to keep "domestic production and consumption in perfect balance." Possibly as a preparation for this announcement, Tokyo 2 days earlier broadcast a statement that rubber production in Java had "increased tremendously" and that the output had also risen in other parts of the Indies.

The broadcast also said a "rubber trust" had been formed to control native production in Malaya and Sumatra. It was declared that the trees would remain the property of the natives, "but the output will be acquired by the military administration, in accordance with certain regulations."

ginning at 7:30 p. m. Matinees are rare.

No films are produced domestically; all are imported from the United States, Great Britain, India, and Egypt, and are usually from 3 to 6 years old when they reach Aden. The following table shows the approximate percentage of each type of film supplied by these countries:

Source	Features	Newsreels	Shorts
	Percent	Percent	Percent
United States.....	70	30	60
Great Britain.....	20	60	30
India and Egypt.....	10	10	10

Action pictures, especially war stories, are preferred by Arabian and Indian audiences. These people are very demonstrative, laughing, shouting, clapping, and freely expressing their feelings as the picture progresses. They are easily pleased, and are not at all critical of the films presented.

European residents attend the theaters regularly but give little expression to their reactions to the films. They prefer love, adventure, and historical pictures, and would rather see a film that helps them forget the war than one dealing with the war.

Educational films and animated cartoons are shown in the European theaters but seem to have little appeal elsewhere.

Films shown in Aden are not dubbed, nor are subtitles superimposed. All pictures exhibited in the European theaters are in English; those shown in the other theaters are in English, Indian, or Arabic.

U. S. FILMS POPULAR IN CHILE

Motion pictures are reported to be the favorite form of entertainment in Chile. There are approximately 290 theaters, but most of them are rather small, their average seating capacity being between 400 and 500. About two-thirds are open daily, usually for two performances; the others are open two or three times a week.

Approximately 400 feature films, most of them United States productions, are released in Chile annually. In 1942, the United States supplied 343 features; Argentina, 34; Mexico, 16; Spain, 14; and Great Britain, 7. Three features made by Chilean companies were presented during the year.

News reels and shorts are received regularly from Argentina, Great Britain, and the United States, and, previously, a few were imported from Germany and Japan. Twenty-four news reels, 4 shorts, and 1 animated cartoon (Chile's first) were produced domestically in 1942.

Cultural and educational films are also shown in schools, institutions, and public gathering places. From February through December 1942 more than 1,000 performances of this type were given before groups averaging 270 in number.

In general, United States films are the most popular shown. In rural areas, however, films from Argentina and Mexico are often preferred because they are in the Spanish language. Films with superimposed Spanish titles are more successful than "dubbed" films.

It is estimated that 90 percent of the projection equipment used by Chilean

theaters was manufactured in the United States.

Nonferrous Metals

GOLD OUTPUT OF CHILE

Output of gold in Chile in April 1943 dropped to 487.2 kilograms from 496.2 kilograms in March.

Gold ore of a grade too low to warrant shipment to purchasing centers for refining is to be treated by a pilot plant belonging to the Mining Credit Bank of Chile.

PRODUCTION OF FERRO-ALLOYS IN JAPAN

The output of ferro-alloys in Japan Proper in April and May of this year averaged 50 percent greater than it did a year ago, claims the Japanese press. Production increases of 200 percent for ferrochrome and 20 percent of ferromanganese were announced by the Ferro-Alloy Council, which last year created production schedules and allocation quotas.

COPPER DEPOSIT DISCOVERED IN MANCHURIA

The discovery of a copper deposit in the mining district of Mapaokou, Tsing-chengtzze, Antung Province, Manchuria, is reported by the Japanese radio. Analysis of the black ore, which has a luster slightly inferior to that of lead ore, shows a 2 percent copper content. It is thought that this deposit may be connected with the copper mine at the top of the Pehtachekeng.

LARGE BAUXITE DEPOSITS IN MOZAMBIQUE

A recent survey of bauxite deposits in the Manica district of Mozambique disclosed reserves of 2,400,000 tons, says the European press. However, only 68,000 tons can be exploited at present.

A large part of the bauxite production is exported for conversion into aluminum sulfate.

COPPER MINING IN NETHERLANDS INDIES

Newly discovered copper fields in southern Celebes, Netherlands Indies, are soon to be worked on a large scale, according to statements by the Japanese radio. Both open-cut and regular mining methods will be used.

ALUMINUM PRODUCTION IN SPAIN

The Spanish company Empresa Electro-Mecánica de Cordoba is erecting a new plant to produce 8,000 tons of aluminum annually, the European press reports.

Sociedad General Española de Aluminio, S. A., is increasing its yearly output to 2,000 tons.

Oils, Fats, and Oilseeds

VEGETABLE-OIL PRODUCTION IN CANADA

There were 10 vegetable-oil plants in operation in Canada in 1942. Quebec had 4; Ontario and Manitoba, 2 each; and the Provinces of Alberta and British Columbia accounted for the remainder,

Japs Try Hemp for Soldiers' Garments

Silk, the only clothing textile fiber which Japan has in abundance, has many wartime uses, but that country finds it of no utility in supplying clothing for its armed forces. Other clothing fibers being unavailable, as evidenced by Japan's frantic efforts to introduce or expand cotton cultivation in Burma, Thailand, the Philippines, and elsewhere, garments to be sent to soldiers in the South Pacific are now to be made from hemp, reports the Domei (Japanese) News Agency.

Manila hemp is cut into bits of about 1 centimeter, and is treated with caustic soda. After mixing with 20 percent of paper pulp, it is run through a specially devised thread-twisting machine. A strong thread, suitable for weaving, is claimed as a result of this process.

The Japanese say they hope to produce material for badly needed gauze, as well as other medical items, by mixing the new product with staple fiber threads.

says a report from the Dominion Bureau of Statistics. A capital investment of more than \$3,500,000 was represented in these firms which paid \$7,624,294 for materials used and \$458,220 for salaries and wages to 351 persons.

The selling price of products at the factory was \$9,481,450. Linseed oil accounted for 55 percent of this value; oil-cake meal, 25 percent; and soap, less than 1 percent. None of the establishments reported produced less than \$50,000 worth of vegetable oils in 1942 or 1941.

In 1942 all of the 3,388,195 bushels of flaxseed, which accounts for almost three-fourths of the material used by the industry, were of domestic origin. This represented a growing independence, since more than half of the total flaxseed used in 1939 had been imported.

The 1942 figures represent gains over those of 1941, when 10 establishments reported a capital investment of \$112,399 less than the 1942 assets, and they paid \$412,125 as working compensation to 313 persons and \$6,180,424 for materials.

There were 800,000 gallons more of linseed oil and 7,000 tons more of linseed oil-cake meal produced in 1942 than in 1941.

CEYLON'S PRODUCTION AND EXPORTS OF COCONUT OIL

Coconut-oil production in Ceylon for the first 6 months of 1943 is estimated at 41,700 long tons; production for the second half of the year is expected to be 1,300 long tons greater. Of the output for the latter half of the year, about 40 percent will be consumed locally, allowing for a remainder of about 25,000 long tons as an exportable surplus.

Availability of shipping and storage space, the copra supply, and crushing

capacity of oil mills are contributing factors which actually determine coconut-oil production.

The shipping problem is of extreme importance. Because no drums are available, all coconut oil is now shipped in bulk. The advantage of this method is that there is no loss of shipping space; the disadvantage is that the oil can be placed only in ships which have deep storage tanks and which are going to ports which, also, can handle the oil in bulk.

Since considerable time (usually 4 days) and expense is involved in cleaning the tanks and in transporting the bulk oil to and from the ships, copra is often loaded instead of coconut oil, even though copra takes half again as much space. Stowage on the boats becomes available irregularly and infrequently and, because the total capacity of the Island's storage tanks approximates only 5,000 long tons, when proper shipping is not at hand and the storage tanks are filled, production must slow down until there is again space in which to place the oil.

If more storage space were obtainable, Ceylonese mill owners estimate that they could increase their production more than 10 percent, and, if machinery replacements could be made available to them, another 15 to 20 percent production rise would be possible.

It is highly improbable that millers could purchase copra at prices half again as high as the control price and still be able to produce oil cheaply enough to maintain their market; therefore, if it were not for the order that Ceylon's Commissioner of Commodity Purchase must be the sole buyer of all exportable Ceylon copra, the Indian copra market, which can pay higher prices, would probably have drawn most of the commodity from the local crushing mills.

The total production of poonac (a by-product of the crushing of copra to produce coconut oil) during the first half of 1943 is expected to be 21,500 long tons; the estimated output for the second half will be about 20,900 long tons. Exports of poonac in 1943 thus far have been nil. Previously, most of the commodity had gone to Belgium and other Northern European countries; at present the Ceylonese are consuming most of their own poonac.

OILSEED CONSUMPTION AND MARKETING, INDIA

Prices of oilseeds in India during the second quarter of 1943 reached a new high level as the result of a strong demand and anticipation of a governmental order restricting speculation, which did become an actuality in regard to peanuts, linseed, mustard seed, and rapeseed, before the quarter ended. Most active was the Bombay market where the local government eventually froze stocks and restricted the export of peanuts, peanut oil, and cottonseed. There, the trade, too, became alarmed, and, as a result, fixed its own maximum and minimum prices. The Calcutta market, however, was relatively steady, the leading buyers being the seed-crushing mills.

Consumption of peanuts in Bombay for the quarter ended June 30, 1943, was estimated at more than 60,000 long tons, 111 percent of the preceding quarter, while stocks of peanuts in the Madras and Bombay areas at the end of the second quarter were said to be 45,000 long tons, about 78 percent of which was in Madras. The 1943 summer crop of peanuts had been harvested, and it was thought that the yield would bring an exportable surplus of approximately 35,000 long tons.

An added use was discovered for peanut oil when an invention, which enables an automobile to operate on any liquid fuel including vegetable oils, was demonstrated. The driver of the experimental car drove 52 miles, using slightly less than 2 gallons of the product, and the machine reached a speed of 35 miles an hour during the test.

Although the Government's restricting order does not include castor-beans, it served to discourage speculation, and by the end of the second quarter there was a definite sign of decline in castor-bean prices. According to a trade source, there were 9,750 long tons of castor-beans consumed in the Madras area and 1,800 long tons in the Bombay district. At the end of the second quarter there was an exportable surplus of 5,000 long tons from the Madras area; 2,000 long tons from the Bombay area.

Calcutta does not produce castor-beans, but stocks from surrounding districts center there. The first of April

those stocks amounted to 500 long tons, but they had completely diminished by the first of July.

Stocks of castor oil in Calcutta, on the other hand, at the end of June 1943, were about 150 long tons and, while the market was good, it was becoming increasingly difficult to procure containers.

Sharp fluctuations were the outstanding characteristic of the Bombay linseed market during the second quarter of 1943. Excluding stocks sold and awaiting shipment, there was an estimated 12,000 long tons of linseed held at Bombay. Arrivals for the first 6 months were believed to be about 4,500 long tons or more than 92 percent less than during the corresponding period of the preceding year. Calcutta stocks almost totally disappeared by the end of June 1943, but 3 months earlier the quantity on hand averaged 3,000 long tons. About 4,000 long tons of linseed were used at Bombay during the second quarter, compared with 1,350 long tons from January through March. This rapid rise was attributed to a substantial paint order from the Government and to purchases from Calcutta, where domestic consumption also expanded. In the latter area there were 1,000 long tons of linseed oil.

Almost the entire production of rapeseed and mustard seed at Calcutta was consumed in that district, but stocks of rapeseed at Karachi at the end of June were said to be more than 7,400 long tons. Bombay had only 100 long tons of both rapeseed and mustard seed on hand.

Transactions of cottonseed were virtually at a standstill after the government of Bombay issued an order prohibiting the transmission of more than 10 bags of the commodity from the city. Previously there had been other limitations of a similar nature.

PUERTO RICAN SHARK OIL VALUABLE

Shark oil from Puerto Rico has recently been tested at the School of Tropical Medicine and found to have a vitamin A content of 13,000 to 14,000 Sherman units per gm. Cod-liver oil usually averages from 800 to 1,000 units. Vitamin D, however, was only 25 percent as great as average cod-liver oil (50 units per gm. compared with the usual 200).

SWITZERLAND'S RESERVE STOCK DIMINISHING

Reserves of fats and oils in Switzerland are becoming exhausted, and there seems to be no immediate possibility of renewing them while the war continues. About 1,200 hectares were devoted to the cultivation of rapeseed and poppy seed, and 160 hectares to the planting of hemp and flax, but these are expected to be insufficient to meet the need.

Petroleum and Products

GASOLINE SHORTAGE IN SWITZERLAND

As a result of the gasoline shortage, most private cars in Switzerland have

been either removed from the roads or adapted to the use of charcoal, methane gas, or carbide. Since 1938 Switzerland's imports of gasoline have dropped nearly 75 percent.

Railway Equipment

NETHERLANDS RAILWAYS REPLACING OLD STOCK

The Netherlands Railways have announced the order of 11 of the latest type of four-car electric units, states a foreign transport journal. These are to replace the old electric rolling stock in service since 1907 on the Rotterdam, Hague, and Scheveningen line.

NEW STREETCAR OPERATING IN PHILIPPINE ISLANDS

The latest streamlined addition to the fleet of streetcars in Manila, Philippine Islands, was placed in operation in May 1943, a Japanese broadcast reports. The car is equipped with a 200-horsepower motor and three doors, one at each end and one in the center. It is reported to be large and roomy.

Shipbuilding

AUSTRALIA'S CONSTRUCTION PROGRAM

Under a program recently announced by the Minister for Navy and Munitions, Australian shipyards will build more than 120,000 tons of shipping for interstate and island trade, states the British press.

When completed, the fleet will include 30 fast ships—10 each of 6,000 tons, 4,000 tons, and 2,000 tons. The total cost will be £40,000,000.

WOODEN SHIPS TO OPERATE IN CHINA

Japan is building a fleet of wooden vessels for service in North and South China, say Japanese radio broadcasts. The first of a new type, launched at the Kiangwan yards at Shanghai, has been placed in service between Hongkong, Shanghai, and North China. To augment facilities between Shanghai and South China ports, the Chung Hwa Co. will put oceangoing steamers into service. The company claims that soon a large number of wooden vessels will be operating on various coastal routes and that the steamer *Tehping* will resume the Shanghai-Ningpo run.

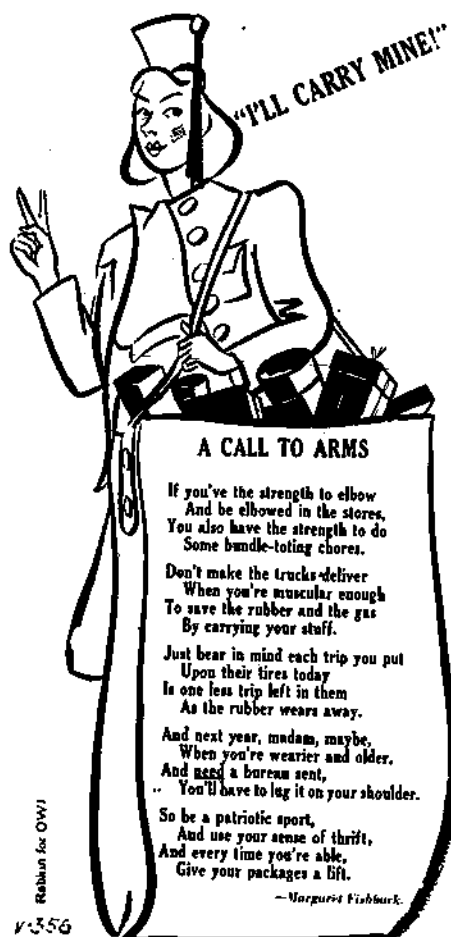
MOTOR LAUNCHES COMPLETED, COLOMBIA

The Government-controlled shipyard at Barranquilla, Colombia, has completed two motor launches of 15 tons each and two others of 40 tons each, says the foreign press.

Several larger ships are under construction, it is reported.

SHIPBUILDING IN NETHERLANDS INDIES

Several wooden vessels for coastal service have been built and launched by a shipbuilding yard in Soerabaya, Nether-



lands Indies, states the Japanese press. The engine in the newest vessel is also of local manufacture. The yard is reported to be attempting the building of ocean transports.

Special Products

WATCH MANUFACTURE IN SWITZERLAND

The Swiss watch industry did not operate at maximum capacity in 1942, but production was considered satisfactory in view of world conditions. Domestic demand was good but did not compensate for loss of foreign markets.

Shortages of raw materials, especially for watch cases, was a serious problem and production quotas were established as a conservation measure.

MANUFACTURE OF BICYCLE TIRES AND TUBES, THAILAND

Bicycle tires and tubes are now being manufactured in Thailand, say Japanese broadcasts. This is a new industry for Thailand, but Tokyo claims the tires are superior in quality to those formerly imported, and lower in price.

Textiles and Related Products

Cotton and Products

REDUCED ACREAGE PLANTED IN NICARAGUA

Cotton planting in 1943 seems to be definitely on the down grade in Nicaragua. Early reports indicate that only 2,500 acres have been set aside for this crop, which would be the lowest acreage for the past several years.

Exports of cotton are mounting, and if the present rate is maintained, 1943 bids well to break all previous records.

SYRIA'S 1943 COTTON PRODUCTION

Approximately 14,000 hectares are reportedly devoted to cotton cultivation in Syria this year, compared with 12,000 hectares in 1942. (1 hectare=2.471 acres.)

Unusually low temperatures and heavy rainfall have adversely affected the yield, and estimates place the cotton crop at some 2,500 metric tons, or from 10 to 15 percent below the 1942 harvest.

No cotton exports have been reported, and domestic factories and hand industries are expected to consume the entire crop.

COTTON SITUATION IN U. K.

Demand for cotton goods in the United Kingdom remained in excess of production throughout July, even though output was confined to Government requirements, utility textiles, and exports to selected markets.

To attract new workers, a "Call to Youth" campaign was conducted in the Oldham area. Senior school children, their parents, and teachers were invited to attend lecture-demonstrations in spinning and weaving, followed by ex-

hibitions and films stressing the advantages of selecting the cotton trade as a career.

Exports of cotton yarn have fluctuated very little in recent months. In the second quarter of this year, according to published figures, 4,783,000 pounds were shipped abroad, compared with 4,677,000 pounds in the preceding quarter, and 4,554,000 pounds in the second quarter of 1942. Cotton-piece-goods export shipments of 108,413,000 square yards in the second quarter of 1943, showed an increase of 26,283,000 square yards over the preceding quarter's exports of 82,130,000 square yards, but did not attain the total of 117,874,000 square yards shipped in the second quarter of the preceding year.

Synthetic Fibers and Products

GERMANS CLAIM DEVELOPMENT OF NEW TYPE OF FIBER

Germany's synthetic-fiber industry claims to have developed a new type of hollow viscose staple fiber, states the Nazi press.

Little knots divide the hollow interior into separate air pockets, thus reducing heat conductivity. Described as a "breathing fiber," and given an artificial crimp to imitate the structure of wool, this "H" type fiber is said to be a vast improvement over earlier attempts, which admittedly had a high degree of heat transmission. It is smoother and less brittle than the previously produced hollow fibers, which broke easily.

JOINT COMMITTEE FORMED IN U. K.

Recognizing the close relationship of the two industries, a Joint Cotton and Rayon Committee has been established by the newly created British Rayon Federation. This committee will be made up of five representatives of each industry, and will collaborate on problems confronting the cotton and rayon industries, particularly those relating to the future.

Yarn supplies decreased further in July, to a point where they were inadequate to meet the demand. Prices remained steady, but further restrictions were made on yarn available for the domestic utility trade.

Exports of rayon yarn in the second quarter of this year, according to published reports, totaled only 3,208,000 pounds, compared with 4,425,000 pounds shipped in the preceding quarter, and 4,544,000 pounds in the second quarter of 1942. Rayon piece goods improved in the second quarter, when 20,945,000 square yards were exported. In the preceding quarter, exports aggregated 18,598,000 square yards, but in the second quarter of last year, they totaled 35,336,000 square yards.

Wool and Products

PRODUCTION AND CONSUMPTION IN IRAN

Wool production in Iran is estimated at 12,000 metric tons for the year ending March 20, 1944, or the same as in the preceding year.

Domestic consumption has increased

Italy Reported To Have Good Wheat Crop

Despite the war, the Italian wheat crop this year is believed to have been fully as large or even larger than the pre-war average, says the U. S. Department of Agriculture's Office of Foreign Agricultural Relations. Based on weather and crop reports which indicated generally good yields, and on reports of increased acreage compared with last year, the 1943 crop may have amounted to as much as 280,000,000 bushels.

That estimate compares with unofficial estimates of 268,000,000 bushels from 13,000,000 acres last year and with the average of 267,000,000 bushels from 12,517,000 acres for the 5-year period 1933-37. Seeding last fall was accomplished under generally favorable climatic conditions. The weather during the winter was mild, and moisture conditions were reported good. Spring grain also was sown under advantageous conditions. Although a labor shortage was reported at harvest time, June and July, threshing results were said to have been excellent.

In 1938 almost 39 percent of the total arable land of the country was used for wheat. This made wheat the most important single crop grown in Italy. In that year, when the crop amounted to 297,000,000 bushels, 60 percent of it was produced in northern and central Italy. Only about 10 percent of the Italian crop normally is produced in Sicily.

and is expected to total between 8,000 and 10,000 tons.

Stocks at this time are said to run from 7,000 to 8,000 tons.

Domestic buying and higher values of home-made textiles have boosted prices to from 10,000 to 34,000 rials per ton. At the last reporting, in April, prices ranged from 8,000 to 30,000 rials per ton. (The selling rate for the rial is 32.50 and the buying rate 32 to the dollar.)

WOOL SITUATION IN SOUTH AFRICA

By the close of the 1942-43 season in June, approximately 300,000 bales of wool were sold in South Africa.

Net returns for the year exceeded those of the preceding season, even though the clip was lower. Unusually dry weather and heavy sales of sheep for food are said to have cut down the level of production.

Difficulties were encountered in marketing the current mohair clip, because of scarcity of shipping space. Prices, however, remained steady, and most of the best quality and a moderate quantity of the lower-priced types were sold.

SOUTH AFRICAN FACTORIES ACTIVE

Army contracts have kept South African blanket factories operating at full

capacity. However, urgent civilian requirements have prompted the release of a large quantity of wool, and factories have recently diverted part of their equipment to production of general utility blankets.

Miscellaneous Fibers

CARPET SALES REDUCED IN IRAN

Shipping difficulties and high prices of raw materials have brought sales on the Iranian carpet market to a low ebb. Stocks are reported to have increased 20 or 25 percent.

Designs suitable for the domestic trade are now being used by manufacturers.

U. K. MANUFACTURING ACTIVITY

(SCOTLAND)

Jute spinners and manufacturers in Scotland continued busy on present contracts during August, but new business was limited.

The raw-jute market was quiet, with a sharp drop in prices.

Flax spinners and manufacturers were busy on Government requirements. Ordinary linen goods was manufactured on a limited scale only.

EIRE'S 1943 FLAX CROP

This year's flax crop in Eire ripened earlier than usual and appears to be of better-than-average quality.

Scutching and retting facilities have steadily improved.

FLAX PRODUCTION IN PERU

Flax cultivation in Peru has dropped to 11,162 hectares for the 1943-44 season, from a high of 15,843 hectares in 1942-43.

Based on the encouraging progress of the plants, higher yields are anticipated.

About 2,200 metric tons of fiber are now estimated for the 1942-43 crop.

Wearing Apparel

U. K.'s RATIONING SYSTEM TO BE REVISED

Stocks of low-grade utility clothing are accumulating in the hands of both wholesale and retail dealers of the United Kingdom. Consumers prefer to purchase higher-quality fabrics, inasmuch as all fabrics and clothing, regardless of price, require the same number of coupons.

To ease this situation, announcement was made about the middle of August, that coupon pointing will be revised so as to be based on retail prices, fewer coupons being required for certain qualities of cloth and clothing.

The average level of retail-clothing prices has again declined. Taking September 1, 1939, as a base, the July 1943 figure was only 67 percent higher, compared with 68 percent in the preceding month, and 95 percent on July 1, 1942.

Tobacco and Related Products

PRODUCTION IN CANARY ISLANDS

The 1943 crop of leaf tobacco in the East Canary Islands is roughly estimated at 150 metric tons. Estimates of the 1942 crop ranged between 70 and 100 metric tons.

Growing of leaf in this island group is confined almost exclusively to the Grand Canary Island, where tobacco factories normally consume about 1,500 metric tons. Imports have been small for some time, owing to transportation difficulties. Consequently the end of 1942 found stocks greatly depleted. The leaf shortage has been relieved since February 1943 by several important arrivals of foreign tobaccos.

TOBACCO GROWING IN RUMANIA

It is estimated that 25,000 hectares were sown to tobacco in Rumania in the spring of 1943.

Waxes

PRODUCTION IN BRAZIL

Production of carnauba wax in the State of Ceara, Brazil, came to 2,050,778 kilograms in 1942, or 42 percent less than in 1941, and 42 percent less than the 1937-41 yearly average. The demand for the wax, however, was so strong that, despite lower production, its total value in 1942 was 52,336,870.74 cruzeiros (official rate, 16.5 cruzeiros=1 dollar), only 42,668 cruzeiros less than the year before, but 23 percent more than the 1937-41 average value.

The annual production of beeswax in the State of Ceara, Brazil, averages about 15 tons yearly. Most of this goes to South Brazil, since the price there is more than twice that offered by the United States.

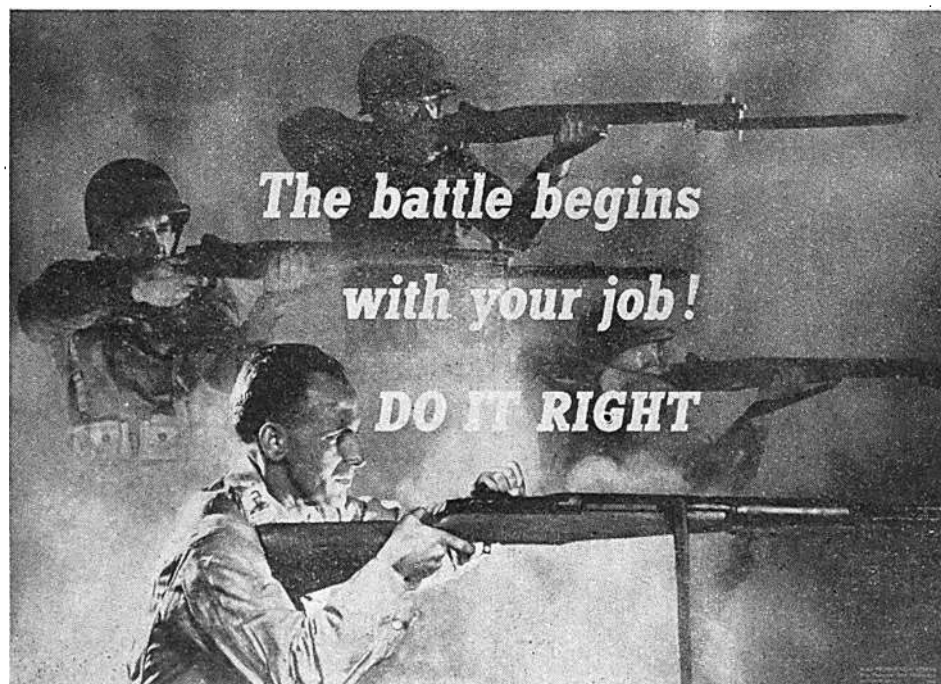
Inter-American Highway

(Continued from p. 13)

ditions, expected in lesser degree but occurring far beyond anything previously contemplated. It was known from reconnaissance surveys carried out over wide areas in southern Costa Rica that the construction there would probably be the most difficult between Mexico and the Canal Zone. It was thought that the elevations already reached in Mexico and Guatemala would exceed anything required to get over the continental divide in Costa Rica. But the section between Cartago and San Isidro del General in Costa Rica is by far the most difficult to construct between Alaska and the Canal Zone.

The altitude at the pass as developed by instrument surveys is 10,931 feet, about 400 feet higher than any other point along the route. There are about 30 kilometers of heavy rock excavation along the highest part of the line where a volcanic dike rises through the sharp slopes of the cordillera and comes so close to the surface as to enter the road prism throughout a long series of cuts. This source dike makes the descent from the pass to within about 15 kilometers of San Isidro extremely difficult.

The average excavation for 27 kilometers will exceed 157,000 cubic meters a kilometer, and one kilometer will run above 366,000 cubic meters. This is roughly 760,000 cubic yards a mile. Engineers of the U. S. Public Roads Administration who are familiar with the heaviest highway construction in the United States over the Rockies and in the high Sierras pronounce this section the heaviest road work ever encountered anywhere.



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Official OWI Photo

No Easier Route

Reconnaissance conducted at intervals over several years in a fruitless effort to pierce the coast range on a more favorable route through a mythical low pass, convinces all concerned that with the well-known Meseta Central and the Valley of El General River as objectives no better route can be found. Shuñk, who was in charge of the Intercontinental Railroad surveys in the late 1880's, did not attempt to reach either objective, declaring the latter altogether too difficult even to attempt.

The highway over the Continental Divide between Cartago and San Isidro, about 94 kilometers in total length, will start at an elevation of about 5,000 feet, climb to 10,931, and descend to 2,500 feet at San Isidro—that is, climb a mile up and a mile and a half down.

Scenic—But Challenging

To have constructed a pioneer road across this area would be about as difficult to build to final width—provided, of course, the final line was to be followed. To have abandoned the final proposed line in favor of one following around the contours would have resulted in a road dangerous in the extreme, if indeed possible, in view of the sheer rock precipices that occur intermittently throughout the higher altitudes.

So through this section, included in the Mills contract, the standard line will be followed with some concession in the proposed standard grades. When completed, this section will constitute one of the most scenic and impressive stretches on the entire line from the United States to the Canal. The Atlantic and the Pacific will both be visible from the top at many points—the Pacific more than 30 miles away, and the Atlantic over 50.

Expectations Revised

Owing to the slow start and the continuing difficulties of transportation of equipment, supplies, and materials, the original program for the Inter-American Highway will not be possible. But the road will be constructed as either a pioneer or a standard highway across Guatemala, Salvador, Honduras, Nicaragua, and Panama by July 1, 1944, and Costa Rica should be through by July of the following year. Probably a pilot road, sufficient for the passing of construction equipment, will be completed in the Costa Rica section this year, 1943.

Following the completion of the pioneer-road sections, standard-road construction will proceed without interruption. The surface will be widened to 6 meters and the grade to 9. The profile will be corrected where necessary to conform to the standard specifications of 6 percent and compensated 7 percent where necessary. Temporary structures where now introduced will be rebuilt in permanent form, and the entire surface will be finished with a bituminous penetration or surface treatment. The total length on the combined standard and pioneer route from the Suchiate River

at the southern Mexican frontier to Balboa Basin in the Canal Zone will be 2,561 kilometers.

News by COUNTRIES

(Continued from p. 19)

and tires, and many busses operating on gasoline were replaced by busses using other fuels. Busses propelled by methane covered 87,285 kilometers, and those operating on wood gas covered 484,132 kilometers, as against 354,515 kilometers in 1941, states a foreign transport publication.

Traffic figures for 1941 and 1942 are as follows:

Type of service	Number of passengers carried	
	1941	1942
Tramway.....	88,558,000	94,869,000
Bus.....	3,385,000	3,268,000
Coach.....	77,000	88,000
Trolley bus.....	1,597,000	2,367,000

Turkey

Tariffs and Trade Controls

Transaction Tax Again Increased.—The transaction (sales) tax collected in Turkey on most imported and domestic products has been increased from 12.5 percent to 15 percent ad valorem by law No. 4415 of May 18, 1943, according to the Board of Trade Journal London, August 21, 1943.

[See FOREIGN COMMERCE WEEKLY of September 12, 1942, for announcement of a previous increase in this tax.]

Uganda

Wartime Commodity Controls

Rubber Production To Be Increased.—The production of rubber has been placed under official control by an order in the Uganda Gazette of March 31, appointing a rubber production controller to increase the production of this commodity.

A committee was also appointed to advise the controller on all matters pertaining to the regulations on rubber production.

The controller may direct the tapping of both para and wild rubber trees and vines by the owners or lessees. If their operations are unsatisfactory, he may institute government production from their plantations, utilizing the equipment and plant of the owners or lessees, who are not to receive compensation unless the Governor otherwise directs. The production, care, and sale of rubber are entirely under the supervision of the controller who may call for any information necessary to the efficient administration of the regulations.

Swiss Railways' Record

The Swiss Federal Railways carried an all-time record number of passengers during 1942, namely 158,600,000 (15,140,000 or 10.6 percent above 1941). Private railways reported a bad year owing to lack of tourist traffic.

Value of fares for the Swiss Federal Railways totaled 176,000,000 francs, or an increase of 8.9 percent above 1941. (These increases were due to the cessation of practically all automobile traffic.) An attempt was made to curtail traffic by withdrawing many extra trains, cheap excursions, and return tickets.

Freight traffic amounted to 22,300,000 metric tons, or a decrease of about 1,000,000 tons. Receipts showed a drop—274,900,000 francs as compared with 278,400,000 francs in the preceding year.

United Kingdom

Wartime Commodity Controls

Retail Distribution of Alarm Clocks.—Arrangements have been made for the retail distribution of alarm clocks which are being imported from Canada and the United States. They may be sold only to persons holding buying permits. These permits are issued only to certain classes of workers. The first issue will be made to railway workers and road passenger transport workers. The price charged by the retailer for the clocks will be 16s. 9d.

Changes in Clothes Rationing.—The British Board of Trade has made the following changes in clothing point values: Men's woolen socks, stockings, and three-quarter hose are reduced to 2 coupons per pair; men's boots and shoes are increased to 9 coupons per pair, and men's slippers and certain sport shoes to 5 coupons per pair; men's wooden-soled footwear is rated at 7 coupons per pair; women's nonwoolen seamless stockings are reduced to 1½ coupons per pair; women's three-quarter hose and woolen socks are reduced to 2 coupons per pair; women's boots and shoes are increased to 7 coupons per pair; women's wooden-soled footwear is rated at 5 coupons per pair; and slippers and certain sport shoes are increased to 5 coupons per pair.

New Jap Daily for Sumatra?

The first issue of a Japanese daily newspaper, Sumatra Shimbun, was scheduled to appear June 8 in Padang on the west coast of Sumatra, according to Japanese broadcasts. The paper is being published by Shonan Shimbunkai, an organization established in Singapore last year by Domei News Agency and about 13 Provincial Japanese newspapers.

Merchant Shipping of the U. S. in Wartime

(Continued from p. 10)

voyage requiring turnarounds up to 8 months.

Dilemmas Are Tackled

The fact that the war requires us to export a much greater volume of tonnage than we import is the basic dilemma in routing ships. The vessel which discharged steel in India might well pick up jute, burlap, or coconut oil, all of them domestic necessities in the United States. Yet it takes a month or more to load in Bombay, but only 1 day to send her back in water ballast.

Triangular courses are sometimes possible. Ships carry supplies from the west coast to Australia, go in ballast to Chile, bring copper and nitrates back to the west coast. Ships discharged in India sometimes return the long way via the West Indies to pick up bauxite, and then to an Atlantic port to drop the bauxite and pick up food for London.

Unequipped ports entailed endless delays during the first year of war. Bombay's antiquated cranes and few docks assumed far too heavy a load after the Japanese took Burma. American and British energy has now cleared that bottleneck. Five other India ports were opened to relieve Bombay. One hundred-ton lifts for locomotives and tanks were installed. A central control was established to keep daily records of ship movements and divert traffic away from crowded areas to other ports. We learned to load ships on this side in 200-pound bales to suit coolie habits. We stopped the use of a ship as a floating

warehouse from which goods were picked piecemeal as wanted.

The British, with help from United States Lend-Lease, have increased the capacity of Red Sea ports from 630,000 tons a month to 1,000,000 tons a month.

A year ago the Persian Gulf had little to recommend it as a point of discharge for British and American goods consigned to the Soviet Union. In March 1942, only 60,000 tons a month could be handled, and this comparative trickle taxed the capacity of the 867-mile single-track railroad to the Russian receiving depots on the Caspian Sea.

The greater losses of ships on the way to Murmansk was a consideration to spur British and American modernization of the Persian Gulf ports and the Iranian railway. Today Liberty ships are discharging many times the tonnage delivered there 12 months ago, and the Russians have in hand great stores of food, tanks, planes, munitions, and raw materials to strengthen the Red Army.

Repairs

Merchant ships at war may limp home damaged by torpedoes, mines, or bombs. Moreover, ships carrying war cargoes take long chances. They bend propellers and weaken plates running through ice lanes. They run aground in badly charted waters. They sometimes collide with each other on foggy nights. The time lost under repair is an important element in the cutting down of the effective worth of the merchant fleet. In summer 5 percent of our tonnage is laid up for repairs; in winter it runs as high as 12 percent. In addition, damaged ships lose time waiting their turns in drydock. During 1 month there were 783 ocean-going vessels under repair in 40 United States repair yards, while only

492 overhauled ships were sent back to sea.

The repair yards have added many ships to our fleet. The last of the Hog Islanders, ghost ships lying rail to rail for many years, have been reconditioned for the war service they missed in the last war. Sixty-five requisitioned Italian and German vessels, 31 of them badly sabotaged, are now carrying the war to their builders. Eighteen ships bought from American lines have been rebuilt as transports and cargo carriers.

Repair experts have put together the two halves of tankers salvaged from the sea bottom, duplicated lost stern sections, and straightened buckled keels. Whether to perform these major maritime surgical operations depends on the comparative time of building a new ship and the margin of new ship tonnage in service. As shipbuilding speeds up, more old ships are junked for metal.

Seamen

Before Pearl Harbor less than 50,000 men manned our 1,100 merchant ships. At the end of 6 months of war there were 5,000 fewer seamen; sinkings in the early months were high, seamen were drowned, crews of torpedoed ships were stranded in ports all over the world, men were leaving the sea for well-paid defense jobs on shore.

Nine months later there were 90,000 seamen—70,000 on our cargo ships, 10,000 on the Army's fleet, 10,000 on vessels of Panama and Honduras registry, all recruited through WSA. War zone bonuses and better wages have been put into effect.

More than 4,000 seamen have lost their lives. Others have been saved under ghastly conditions of fire, darkness, cold, and the confusion of battle, as the citations for Marine Distinguished Service attest.

Training and Recruitment

The War Shipping Administration through its Training Organization has a program for training personnel to man our merchant fleet which will supply sufficient manpower to supplement available qualified experienced seamen.

The construction program contemplates the building of 4,200 merchant vessels during the years of 1943 and 1944. To man this number of ships approximately 145,000 seamen in all ratings and 35,000 officers are required. Every effort is being made by the Recruitment and Manning Organization of the War Shipping Administration to induce experienced seamen now ashore in other occupations to return to sea. The Training Organization has the responsibility for training the rest of the new officers and seamen needed and to give training for upgrading to the present personnel in the fleet.

The Training Organization includes the United States Merchant Marine Cadet Corps, which trains, to become officers, high-school and college graduates without previous experience at sea. It also includes the United States Maritime Service, which trains men for unlicensed positions in the deck, engine, and



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steward's departments, trains radio operators and men with previous experience at sea to become officers, and also conducts upgrading schools. Five State Maritime Academies—in California, Maine, Massachusetts, New York, and Pennsylvania—operated partially with Federal funds, also come under the supervision of the Training Organization. These academies train young men without previous experience at sea to become officers.

The U. S. Merchant Marine Cadet Corps conducts the United States Merchant Marine Academy at Kings' Point, Long Island, N. Y., and Cadet Basic Schools at Pass Christian, Miss., and at San Mateo, Calif., to which are attached a number of training vessels. Cadets get sea training during their course while serving on active merchant vessels.

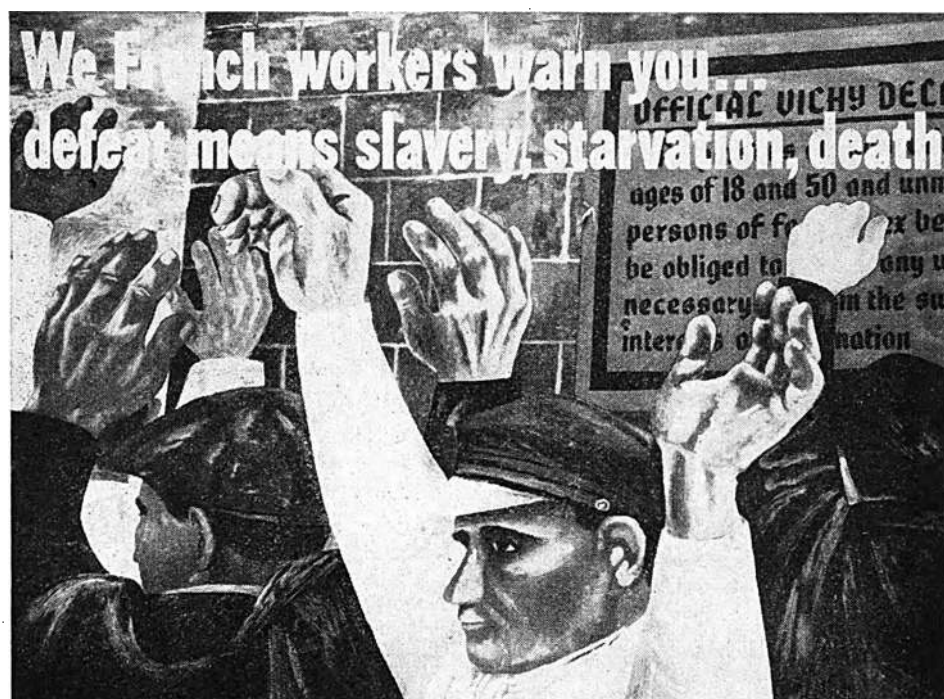
The U. S. Maritime Service conducts four schools for training for unlicensed positions in the deck, engine, and steward's departments at Sheepshead Bay, Brooklyn, N. Y., Hoffman Island, N. Y., St. Petersburg, Fla., and Avalon, Catalina Island, Calif.; two radio schools at Gallups Island, Boston, and at Huntington, Long Island; officers' schools at Fort Trumbull, New London, Conn., and at Alameda, Calif.; upgrading schools at New York, New Orleans, San Francisco, Los Angeles, Portland, and Seattle. Seven large training ships are attached to the various schools.

Seamen Labor Relations

Collective bargaining was established practice on the ships requisitioned for war purposes by the War Shipping Administration. Master coastwise agreements were retained on the west coast between six labor organizations and one employer's organization. On the Atlantic and Gulf coasts agreements were held between the unions and each steamship operator. Among the unlicensed personnel, there was substantial uniformity of wages, hours, and working conditions on all three coasts. Among the licensed personnel, there was uniformity on the Pacific coast only, whereas on the Atlantic and Gulf coasts the wage differential growing out of lack of uniformity amounted to \$200 in some cases. However, the War Shipping Administration has requested the agents and the unions to negotiate a uniform agreement, and negotiations have begun.

The War Shipping Administration has issued Statements of Policy with all maritime labor organizations. These in effect retained the union hiring halls and the procedures of collective bargaining. For their part, the unions promised that no changes in collective-bargaining agreements on Government-owned boats would be made without WSA approval; that they would not exercise the right to strike for the duration of the war, and that the authority of the master should be strengthened in recognition of the need for more rigid discipline in time of war.

Since December 7, 1941, there have been no strikes in the maritime industry, nor any serious delay (barring isolated



Official OWI Photo

misunderstandings) in the sailing of a vessel as the result of a labor dispute.

Safety at Sea

The seaworthiness of ships and standards of safety on board are in the keeping of the United States Coast Guard requirements.

The Coast Guard has assembled advisory committees, with representation from operators, labor, designers, and the public, to assist it at public hearings on equipment and safety problems. Out of joint councils have come rope nets on which men may climb overboard, rafts which drop into the sea at the touch of a lever, rubber life suits for every man, full equipment for lifeboats. The seamen have themselves suggested a large share of the means by which lives are saved.

Discipline

Discipline aboard ship is the master's concern. He may mete out justice for small offenses. Penalties for serious breaches lie in the hands of those ashore. The sailors' unions also hold hearings of their own and punish members for breaches of discipline.

Seamen sign on voluntarily for "such foreign parts as the master may direct," and generally now for a period of 12 months. This time limit has often been exceeded through the necessities of war. Not since whaling days have Americans shipped blind on such world wanderings. Yet over-all discipline is high.

Repatriation

Until the fall of 1942 there were no satisfactory arrangements for returning port-docked seamen from their landing ports back to the United States. The War Shipping Administration relieved the sit-

uation by stationing agents in Cape-town, Iceland, North Russia, North Africa, Australia, the Caribbean, Brazil, and other areas to which men from sunken ships might be brought. The Red Cross, the seamen's unions, the United Seamen's Service, and the WSA now share in returning seamen home in comfort.

WSA has also established five rest houses in the United States in which rescued seamen may recover in body and mind. Preventive treatment is given to forestall the breaking point of fatigue and nerves. Often the problem of rest-house doctors is to prevent a seaman from returning to his ship too soon. Hotel facilities have also been established in foreign ports by the War Shipping Administration in collaboration with United Seamen's Service.

Commercial Chemical Exports From Costa Rica

The firm of Rudin & Jimenez, of Puntarenas, Costa Rica, is now producing chloride of magnesium and magnesia calcinate—also sulphate of magnesium of a grade suitable for livestock, says a recent bulletin from the Ministry of Industry and Commerce of Costa Rica. Those products are being shipped to the neighboring Central American Republics.

The carborundum stones used in the rice-hulling mills of Central America are now difficult to obtain on account of the war. The firm mentioned is therefore experimenting with a new type of stone made by fusing quartz, obtained from the local gold mines, with a mixture of magnesia and chloride of magnesium. These experiments appear to offer a solution to the problem, say Costa Rican commentators.

Commerce in a Changing World

(Continued from p. 4)

which often means a constant source of discontent. No—Sicily is not in any way typical—Sicily was an active theater of war for only a short time, the standard of living was never very high, the drop in this standard to below the existence level was neither abrupt nor need it be of long duration. Despite the destruction which paved the way for the United Nations' victory, restoring Sicily's tool equipment will be a comparatively simple task.

It requires little imagination to select the areas where conditions will be the worst. Materially they will be the regions where the original destruction was the greatest and where the population most consistently resisted the authority of the occupying forces. The names of these nations and their brave people rank high in any roster of the United Nations. Their early sacrifices gave us time; they had to be removed first before the Axis could turn its full attention to its more important objectives. Their flaming spirit shone brightly during the darkest hours. Their carefully planned underground help has already made great contributions to our joint cause. When the real day of victory comes, we shall have ample evidence of what their efforts have contributed, but also we shall have horrible testimony to show the cost of their stubborn resistance.

Without hesitation we will have put into their hands tools of destruction, provided only that they were used against our common enemies. Let us hope that we can show equal alacrity when their willing hands are ready for peaceful tasks.

Basic Problem Looms

They will rejoice and we will rejoice with them that the long fight is ended, that they can walk again as free men,

that they can work again for themselves and for their families. But after the first exhilaration, the after-effects of the long years of exhausting effort, of tension, of under-nourishment will make their certain appearance. It is at this time and under these conditions that the policies and programs of the United Nations must be carried out with skill, speed, and precision.

Unless those brave men and women obtain tools with which they can carve out their future anew, they can look forward to nothing except a further grim struggle for existence itself.

Here is really the basic problem, the question which must be answered if we hope to see backward regions develop, if we sincerely wish to restore to our comrades in arms their health, their productivity, and their self-respect.

Facing Bald Truths

In this connection, there are certain principles—or bald truths, if you will—which cannot be stated too clearly or too often.

Man without food, shelter, and some clothing *dies*. With a few tools he can provide the minima of these essentials; with the tools which modern science and industry have developed he can accomplish a great deal more than that.

Idle men produce little except discontent.

Employed men, properly trained and properly equipped with modern tools, can produce enough food, shelter, clothing, and every other essential for existence. Freedom from want can become an actuality only if men produce what can be produced with modern tools.

It must follow, then, that a wide distribution of tools is fundamental to any program of reconstruction or development.

What Modern Tools Can Do

In the post-war period, if the world follows a policy of distributing tools and the knowledge of how to use them, the

result will be quite different from that produced by a policy of hoarding tools and skills, of bartering the products of a few men, equipped with modern tools, for the products of many men who are not properly equipped.

It is useful to discuss access to raw materials, but raw materials without tools are not very effective.

It is true that ways have been found to extract minerals and agricultural products from wherever they may be found and to transport them long distances to existing industrial and labor centers. When close-at-hand sources of materials were exhausted or fully utilized, other distant sources were found, and the raw materials were again brought to where the men and the tools were located. For a long time no one seemed to question this process, and it is only recently that we ourselves have discovered that it was quite possible to move textile plants close to the centers of cotton cultivation.

We have found that it was quite simple to move tools and skills. What some people choose to call the reawakening of our Southland can be attributed largely to this process of decentralization of industry, of putting modern tools into the hands of hard-working men and women who soon learned to use them.

An Underlying Pattern

What we have done in our own country can and will be repeated in other regions; it is the pattern which underlies the many adaptations which our commerce and that of other nations will make in the rapidly changing world of the future. The war itself is forcing this obvious trend; we need only to read the dispatches from China, from Russia, from Africa, from all of our good neighbors in this Hemisphere, to understand that tools and skills are moving to raw materials and men and women eager to work and learn. There is nothing more significant than this trend, as it clearly points out the way in which the old vicious circle is being broken.

Let us take a quick look at this vicious circle. The inhabitants of a given region are known as backward. This often means that they are so busy obtaining not quite enough to eat that they have neither time nor energy to do much else. If they produce no surplus which they can exchange for the products of other men, they have no means of payment. If they have no means of payment, they cannot get credit; if they cannot obtain credit or purchasing power, they have no way of acquiring modern tools, and so it goes round and round.

Russia without tools, and without the widespread knowledge of how to use them, was a backward giant. Twenty-six years of tooling up and education produced the Red Army and most of the industrial plant which has served it. China without tools was many people exchanging the products of their labor for the mechanized products of a few men with tools. China with tools will be the vitalizing, civilizing force of Asia. Brazil without tools was a vast area of largely undeveloped resources; Brazil with tools



can produce necessities and luxuries for many times its present population.

I have mentioned only a few examples—they can be offered almost indefinitely.

Danger in Outmoded Symbols

It is hard for us to keep our attention focused directly on this question. It is so easy for us to talk glibly about competitive positions, relative costs of production, government subsidies, cartels, patent pools, and all the rest of the current jargon. Our very familiarity with this vocabulary causes us to cling to the mechanisms which it describes.

We forget that these mechanisms were developed during the late nineteenth century and the first decade of the twentieth century. They have not been adjusted to serve new developments. These mechanisms ignore the obvious fact that during the past 40 years men have learned how to do many things which had baffled them since the dawn of history. If some men have been able to develop these amazing new tools, other men should certainly be able to devise financial mechanisms and bookkeeping methods which will encourage the widest and speediest use of these new tools of plenty.

Let us not forget that our own insistence on symbols which had long since lost their meaning kept millions of our own citizens from producing and distributing the goods which they knew so well how to make. Poverty in the midst of plenty, idle men walking the streets, farmers destroying growing crops, are scenes in our recent history which should never be glossed over, and certainly never reenacted.

Work Takes on New Meaning

One emphasizes "learning to fly" because it is perhaps the most far-reaching, and certainly the most dramatic, of our new tools—but there are many, many others. Added together they mean that men have learned to make machines which, if properly manned, can produce the minimum needs of everyone. In other words, freedom from want is for the first time a practical possibility.

This knowledge is not a secret. Men and women all over the world have heard the story. Indeed they have heard it first-hand from our own sons and daughters. They have seen with their own eyes the planes, the ships, the jeeps, the tanks, the talkie-walkies, and all the other strange tools which make modern warfare what it is. They have talked with the men who use them, they have heard strange tales of how they are made.

Out of it all they have learned what modern tools can produce, particularly in times of peace. They have also learned that, with proper training, practically anyone can use the tools, and they now believe firmly that practically everyone will use them. Better than we, they know that men must work if they wish to produce; but, now that the tools of plenty are at hand, work will take on a new meaning.

U. S. Export Control and Related Announcements

Developments communicated to the Trade Controls Unit up to Tuesday, September 28, 1943:

No. 489—Current Export Bulletin No. 122

The Office of Exports has issued Current Export Bulletin No. 122 on the following subject:

CHANGE IN GENERAL LICENSE

The following commodities now under allocation are removed from general license to all destinations. Effective September 27, 1943, shipments of these commodities will require individual export licenses.

Commodity	Department of Commerce Schedule B No.	General license group (old)*	Effective date of change
Abrasive manufactures:			1943 Sept. 27
Grindstones.....	5406.00	K-17	Do.
Natural abrasives, hones, whetstones, etc., n. e. s. (include infusorial and diatomaceous earth, flint, rottenstone, tripoli and garnet, but except corundum).....	5409.98	K-17	Do.
Buttons:			
Buttons and parts of other materials (include metal).....	9712.00	K-17	Do.
Button parts, backs, blanks, and molds (specify type of article).....	9713.00	K-17	Do.
Chemicals:			
Baking powder.....	8230.00	K	Do.
Clay and clay products:			
Electrical porcelain for less than 6,600 volts.....	5370.00	K-17	Do.
Electrical porcelain for 6,600 volts and over.....	5336.00	K-17	Do.
Coal and related fuels:			
Anthracite.....	5001.00	K	Do.
Bituminous.....	5002.00	K	Do.
Coal and coke briquets.....	5003.00	K	Do.
Cotton manufactures:			
Bed sheets and pillow cases.....	3178.00	K-17	Do.
Bedspreads, candlewick, chenille and tufted.....	3175.00	K-17	Do.
Bedspreads, plain, crinkle, dobby and jacquard.....	3176.00	K-17	Do.
Blankets.....	3171.00	K-17	Do.
Boys' clothing of woven fabrics, n. e. s. (include bathrobes, seersucker suits and slacks and boys' playsuits, overalls, etc.).....	3120.98	K-17	Do.
Braids, ribbons, trimmings, bindings, lacings, tape-labels and webbing.....	3160.00	K	Do.
Broadcloth, carded, bleached.....	3048.00	K-17	Do.
Broadcloth, carded, dyed in the piece.....	3049.10	K-17	Do.
Broadcloth, carded, printed.....	3049.20	K-17	Do.
Chambrays, chevrons and shirtings.....	3060.00	K-17	Do.
Cheesecloth and gauze, bleached or dyed (full piece).....	3050.00	K-17	Do.
Children's outerwear, not knit.....	3127.00	K-17	Do.
Cloth, gray, n. e. s.....	3039.00	K-17	Do.
Clothing, men's of woven fabrics, n. e. s.....	3120.05	K-17	Do.
Combed and carded goods, n. e. s.....	3074.00	K-17	Do.
Curtains and draperies (include cotton bath curtains).....	3181.00	K-17	Do.
Denims.....	3067.00	K-17	Do.
Dresses and ensembles, women's (include eyelet, velveteen, and lace).....	3122.00	K-17	Do.
Fabrics, colored yarn, n. e. s. (include seersucker and tickings, n. e. s.).....	3061.00	K-17	Do.
Fabrics, cotton and rayon mixtures.....	3079.00	K-17	Do.
Fabrics, cotton and wool mixtures.....	3076.00	K-17	Do.
Fabrics, knit in the piece.....	3080.00	K-17	Do.
Fabrics, narrow, n. e. s. (include lamp wicks and wicking and hose not rubberized).....	3181.00	K	Do.
Gloves, dress and all other, woven or knit (include children's mittens of cotton).....	3091.20	K-17	Do.
Gloves, mitts and gauntlets, work or fabric.....	3091.10	K-17	Do.
Handkerchiefs.....	3090.00	K-17	Do.
Hosiery, children's.....	3094.00	K-17	Do.
Hosiery, men's.....	3095.00	K-17	Do.
Hosiery, women's.....	3093.00	K-17	Do.
House furnishings, n. e. s. (include napery, cotton floor coverings, and furniture slip covers).....	3189.00	K-17	Do.
Jackets and windbreakers, boys'.....	3113.98	K-17	Do.
Jackets and windbreakers, men's.....	3113.05	K-17	Do.
Knit apparel, men's, cotton, n. e. s.....	3099.96	K-17	Do.
Knit apparel, n. e. s. (except men's).....	3099.98	K-17	Do.
Laces, embroideries and articles thereof, n. e. s.....	3185.00	K-17	Do.
Marquisettes, combed.....	3073.00	K-17	Do.
Nightwear, boys', woven.....	3115.98	K-17	Do.
Nightwear, men's woven.....	3115.05	K-17	Do.
Nightwear, women's and children's knit (include balbriggan pajamas and "Dentons").....	3098.00	K-17	Do.
Overalls, breeches, etc., n. e. s.....	3114.00	K-17	Do.
Pile fabrics, other (include velveteens, corduroys, and terry fabrics).....	3088.00	K-17	Do.
Piques, combed.....	3070.00	K-17	Do.
Plushes.....	3087.00	K-17	Do.
Printcloth, bleached.....	3051.10	K-17	Do.
Printcloth, dyed in the piece.....	3052.10	K-17	Do.
Printcloth, printed.....	3052.20	K-17	Do.
Printcloth, yarn fabric construction, unbleached (gray), n. e. s.....	3037.00	K-17	Do.
Quilts, comfortables, and quilted bedspreads.....	3173.00	K-17	Do.
Remnants and fabrics, n. e. s., sold by the pound (include mill ends and short pieces of less than 10 yards).....	3089.50	K-17	Do.
Shirts, boys', n. e. s. (except knit).....	3177.29	K-17	Do.
Shirts, men's not knit, n. e. s.....	3177.25	K-17	Do.
Shirts, work.....	3177.10	K-17	Do.
Suitings, twill-coverts, and cottonades.....	3058.00	K-17	Do.
Sweaters, jersey pullovers and sweatshirts, boys'.....	3099.19	K-17	Do.
Sweaters, jersey pullovers and sweatshirts, men's.....	3099.15	K-17	Do.

* General license group (new)—None.

† Corundum B-5409.98, remains exportable under general license to Iceland.

Commodity	Department of Commerce Schedule B No.	General license group (old)	Effective date of change
Cotton manufactures—Continued.			1948 Sept. 27
Sweaters, shawls, and mufflers, women's and children's	3099.50	K-17	Do.
Table damask in the piece	3082.00	K-17	Do.
Tapestry and other upholstery and drapery materials, jacquard and dobby-woven	3084.00	K-17	Do.
Thread, crochet, darning and embroidery	3016.00	K-17	Do.
Tobacco and cheese cloth	3030.00	K-17	Do.
Towels and toweling, huck, damask and plainwoven	3188.00	K-17	Do.
Towels, wash cloths and bath mats, terry woven	3187.00	K-17	Do.
Twine, rope, and cordage (except tire cord)	3018.00	K	Do.
Underwear, boys' knit	3096.98	K-17	Do.
Underwear, boys' woven fabric	3118.19	K-17	Do.
Underwear, men's, knit	3096.05	K-17	Do.
Underwear, men's, not knit	3118.16	K-17	Do.
Underwear, women's and children's knit	3097.00	K-17	Do.
Underwear and nightwear, women's not knit (include diapers)	2124.00	K-17	Do.
Voiles, organdies, lawns, and batiste	3067.00	K-17	Do.
Women's and children's apparel of woven fabrics, n. e. s. (include blouses, skirts, bathrobes, uniforms, washable apparel, n. e. s.)	3129.00	K-17	Do.
Manufactures, n. e. s. (include molleton padding, fish nets, dyed cotton flocks and semimanufactures, n. e. s.)	3199.00	K-17	Do.
Glass and glass products:			
Beverage bottles, including soda, beer and alcoholic beverage bottles	5234.00	K	Do.
Bottles, milk	5234.00	K	Do.
Chemical glassware, n. e. s.	5291.00	K	Do.
Electric insulators, glass	5292.00	K	Do.
Ophthalmic glass	5230.98	K	Do.
Unfilled glass containers	5236.00	K	Do.
Meat products			
Kidneys and livers, fresh, frozen, or cured	0041.00	K	Do.
Tongues, fresh, frozen, or cured	0043.00	K	Do.
Canned meats, n. e. s.	0039.09	K	Do.
Nonmetallic minerals:			
Charcoal	5880.00	K	Do.
Nuts:			
Almonds, sweet	1379.03	K	Do.
Apricots and peach pits and kernels	1374.00	K	Do.
Brazil or cream nuts	1379.06	K	Do.
Filberts	1379.07	K	Do.
Pecans, not shelled	1379.50	K	Do.
Pecans, shelled	1379.10	K	Do.
Nuts, n. e. s. (except cashew nuts)	1379.98	K	Do.
Walnuts, not shelled	1377.50	K	Do.
Walnuts, shelled	1377.10	K	Do.
Seeds:			
Clover, red	2402.00	K	Do.
Flower seeds	2467.00	K	Do.
Kentucky blue grass	2407.00	K	Do.
Red top	2408.00	K	Do.
Timothy	2406.00	K	Do.
Clover, n. e. s. (except alsike clover)	2405.00	K	Do.
Grass and field seeds, n. e. s. (except meadow fescue and orchard grass)	2419.00	K	Do.
Vegetable seeds, n. e. s. (include mushroom spawn and tree seed except fennel seeds and onion seeds)	2468.30	K	Do.
Soap and toilet preparations:			
Shaving creams	8718.00	K	Do.
Shaving cakes, powders, and sticks	8719.00	K	Do.
Scouring bricks, pastes, powders, soaps, and household washing powders	8724.00	K	Do.
Synthetic textiles:			
Dresses, skirts, blouses and other outerwear for women and children, not knit or crocheted, include woven bathing suits (one, two, and three-piece ensembles as one unit)	3852.00	K	Do.
Dresses and ensembles, knit or crocheted	3853.10	K	Do.
Knit fabric in the piece	3848.00	K	Do.
Knit outerwear, n. e. s. (include sweaters and gloves of knit rayon and crocheted shawls)	3853.20	K	Do.
Knit underwear	3857.10	K	Do.
Men's socks	3856.00	K	Do.
Pile (velvets, etc.) chiefly of rayon and other synthetic fibers (include imitation furs)	3845.01	K	Do.
Rayon house furnishings (include bedspreads, quilts, finished curtains and draperies, art squares and cushions)	3850.00	K	Do.
Sleeping and lounging garments, knit or woven (include pajamas, robes and kimono, gowns)	3857.70	K	Do.
Synthetic textiles, women's and children's hosiery, n. e. s.	3854.90	K	Do.
Woven underwear	3857.20	K	Do.
Textile products:			
Corsets, brassieres and girdles	3021.00	K	Do.
Oilcloth for shelf, table and wall	3911.00	K	Do.
Pyroxylin coated or impregnated book cloth	3914.10	K	Do.
Pyroxylin coated or impregnated fabrics	3915.00	K	Do.
Starch filled book cloth	3914.20	K	Do.
Waterproof outer garments	3918.00	K	Do.
Window shade cloth	3913.00	K	Do.
Mattresses, hair, cotton and moss	3970.98	K	Do.
Vegetables and preparations:			
Pickles	1250.00	K	Do.
Soya flour, edible	1250.11	K	Do.
Vinegar	1253.00	K	Do.
Vegetable preparations, other (except crude sage and flour)	1259.98	K	Do.
Vegetable products—Miscellaneous:			
Cornstarch and corn flour	2811.00	K	Do.
Starch, other	2813.00	K	Do.
Vegetable products, inedible, other	2099.98	K	Do.
Wood manufactures:			
Eastern red cedar pencil slats	4291.00	K	Do.
Incense cedar pencil slats	4292.00	K	Do.
Plow and similar bent handles	4285.00	K-17	Do.

¹ Glass, n. e. s. (including flat glass specialties, mirrors and glass brick, but excepting ophthalmic glass) remains exportable under general license to group K.

² Cashew nuts, B-1379.98, remain exportable under general license to Iceland.

³ Alsike clover, B-2405.00, remains exportable under general license to Iceland.

⁴ Meadow fescue and orchard grass, B-2419.00, remain exportable under general license to Iceland.

⁵ Fennel seeds and onion seeds, B-2468.90, remain exportable under general license to Iceland.

⁶ Sage, crude and flour, B-1259.98, and taploca B-1259.98 remain under general license to Iceland.

(Continued on p. 35)

UNITED STATES TARIFF COMMISSION

WASHINGTON

PUBLIC NOTICE

Public Hearing Ordered

FOR OCTOBER 22, 1943, IN NEW YORK, N. Y.

MEDICAL SWABS

In the matter of complaint of unfair methods of competition and unfair acts in the importation and sale of medical swabs.

Docket No. 12, Section 337, Tariff Act of 1930

NOTICE is hereby given, pursuant to section 337 of the Tariff Act of 1930 and the Rules of the United States Tariff Commission (Code of Federal Regulations, title 19, sec. 203.5), that a public hearing in the foregoing investigation will be held by the United States Tariff Commission in Room 231, Empire State Building, 350 Fifth Avenue, New York, N. Y., beginning at 10 a. m. on the 22d day of October 1943.

All parties interested in the investigation of alleged unfair methods of competition or unfair acts in the importation or sale of medical swabs will be afforded opportunity to be present at this hearing, to produce evidence, and to be heard concerning the subject matter of this investigation.

By order of the United States Tariff Commission this 17th day of September 1943.

E. M. WHITCOMB,
Acting Secretary.

Foreign Commerce Statistical Decision

(F. C. S. D. 44)

NOTICE TO COLLECTORS OF CUSTOMS, EXPORTERS, AND OTHERS CONCERNED

Shipper's Export Declaration of Shipments to Alaska—Commerce Form 7525-H

DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
Washington 25, D. C.

Effective October 15, 1943, Commerce Form 7525-H, "Shipper's Export Declaration of Shipments to Alaska," which is used for shipments from the United States to Alaska will be abolished and shippers will be required to file Commerce Form 7525-V in accordance with existing regulations covering its use.

Schedule H, "Statistical Classification and Commodity Code Number of Shipments of Merchandise to Alaska," will continue to be used in classifying the commodities.

J. C. CAPT, Director.

SEPTEMBER 15, 1943.

U. S. Export Control and Related Announcements

(Continued from p. 34)

Commodity	Department of Commerce Schedule B No.	General license group (old)	Effective date of change
Wood manufactures—Continued.			1943
Venetian blinds	4231.00	K-17	Sept. 27
Venetian blind slats	4230.00	K	Do.
Woodenware	4298.00	K-17	Do.
Wood manufactures, n. e. s.	4299.00	K-17	Do.
Wood, unmanufactured:			
Cottonwood and aspen, logs and hewn timber	4002.00	K	Do.
Crescoted or otherwise treated railroad ties, hewn	4026.00	K	Do.
Crescoted plings	4031.00	K	Do.
Firewoods and other unmanufactured wood (include mine props and fence posts)	4039.00	K	Do.
Hardwood burls (estimate board feet at 10 lbs. to the board foot)	4006.00	K	Do.
Mahogany logs	4009.05	K	Do.
Telegraph, trolley, and electric light poles	4034.00	K	Do.
Pillings, n. e. s.	4032.00	K	Do.
Railroad ties, hewn, n. e. s.	4029.00	K	Do.

Note: The shipping priority ratings assigned to the above commodities are hereby deleted.

Shipments of the above commodities which are on dock, on lighter, laden aboard the exporting carrier or in transit to a port of exit pursuant to an actual order for export prior to the effective date of this change may be exported under the previous general license provisions. Shipments moving to a vessel subsequent to the effective date of change pursuant to ODT permits issued prior to such date may also be exported under the previous general license provisions.

No. 490—Current Export Bulletin No. 123

The Office of Exports has issued Current Export Bulletin No. 123 covering the following subjects:

I. OUTSTANDING E-1 ALLOTMENTS FOR THIRD QUARTER DELIVERY

a. The Office of Exports, Office of Economic Warfare is making a reconciliation of E-1 allotments which have been assigned for third quarter delivery.

b. All holders of outstanding licenses, covering "A" products and basic controlled materials (steel, copper, or aluminum in basic mill shapes), which have been assigned E-1 allotments for third quarter delivery, are requested to review the present status of their allotments.

c. E-1 allotments which have been assigned for the third quarter and for which orders have not been definitely placed with producers or suppliers for third quarter delivery should be returned to the Metals and Minerals Division, Office of Exports, Office of Economic Warfare, Washington 25, D. C. If necessary producers and suppliers should be contacted for confirmation of outstanding orders which have not yet been accepted by them for delivery in the third quarter.

d. In returning the allotment, or an unused portion of the allotment, War Production Board Form CMP-32 may be used. This form may be obtained from the War Production Board, or its field offices, or from the Office of Economic Warfare. However, if this form is not readily available, a letter describing the allotment and outlining the license number, commodity, weight of material, and country of destination should be addressed to the Metals and Minerals Division, Office of Exports, Office of Economic Warfare, Washington 25, D. C.

The license carrying the E-1 allotment assignment for third quarter delivery must be returned if cancellation of the license is desired; and it may or may not be returned if revalidation of the allotment for a succeeding quarter is requested.

e. A cancellation of an allotment is to be made in accordance with subparagraph (f) of CMP Regulation I, dated

May 28, 1943, as issued by the War Production Board.

f. The allotments for those orders which have not been extended to, or accepted by, producers or suppliers, and which are not returned to the Office of Exports before September 30, 1943, cannot be considered thereafter for reassignment in future quarters.

g. This request applies to those allotments assigned on both individual and "SP" licenses.

II. APPLICATIONS FOR "SP" LICENSES FOR AREAS INCLUDED IN THE BRITISH PROGRAM LICENSE BE-1.

Subject VI of Current Export Bulletin No. 111 outlined the procedure for the submission of release certificate applications to the various constituent organizations of the British Supply Council. It should be specifically noted that no reference was made to "SP" licenses. Exporters are advised that hereafter "SP" licenses authorizing shipments to the British Program destinations will be known as "SP" release certificates. (Outstanding "SP" licenses covering exportations to these destinations will not be affected by the procedure herein outlined.) The procedure for submitting "SP" release certificate applications will remain the same as that now followed for "SP" license applications and Form BEW 119 will be used as the release certificate.

III. FURTHER EXTENSION OF THE TERM OF VALIDITY OF RELEASE CERTIFICATES ISSUED PURSUANT TO THE UNLIMITED LICENSE FOR MIDDLE EAST DESTINATIONS.

The term of validity for release certificates covering exportations to certain Middle East destinations under the Unlimited License of the British Ministry of Supply Mission which was terminated June 30, 1943, is extended to September 30, 1943, if such certificates were valid on June 30, 1943. The destinations include Anglo-Egyptian Sudan, Cyprus, British Somaliland, Palestine and Trans-Jordan, Aden (including Perim and Sokatra Islands), and Egypt.

This amends provisions previously announced in Current Export Bulletin No.

105 (Announcement No. 472 in FOREIGN COMMERCE WEEKLY for July 10), Subject III-A, and Current Export Bulletin No. 107, Subject III (Announcement No. 474 in FOREIGN COMMERCE WEEKLY for July 24).

IV. EXTENSION OF VALIDITY OF INDIVIDUAL EXPORT LICENSES FOR SHIPMENTS DELAYED AT BORDER BECAUSE OF MEXICAN RAIL EMBARGOES.

Effective September 25, 1943, the validity of individual export licenses, covering exports from the United States to Mexico delayed at the border as a result of Mexican rail embargoes, will be automatically extended to include whatever period is necessary to complete shipment.

V. PORTUGUESE COLONY OF GOA REMOVED FROM SELECTED DESTINATIONS PROCEDURE.

Effective immediately, the Portuguese Colony of Goa is removed from the list of countries under Selected Destinations Clearance Procedure. The provisions governing shipments to Selected Destinations will not apply to shipments for the Portuguese Colony of Goa.

VI. SUGGESTED EXPORT LICENSE APPLICATION LIMITS FOR RADIO RECEIVING TUBES FOR FOURTH QUARTER 1943.

As announced in Subject III of Current Export Bulletin No. 98 (Announcement No. 465 in FOREIGN COMMERCE WEEKLY for June 5), the Office of Exports expects to have available by the middle of September the suggested export license application limits for radio receiving tubes, Schedule B, Nos. 7078.05 and 7078.98, for the fourth quarter of 1943.

Exporters of radio receiving tubes who are interested in the limits which will be suggested for their use in the fourth quarter of 1943 may secure this information by writing the Electrical Equipment Section, Operations Branch, Office of Exports, Office of Economic Warfare, Washington 25, D. C., reference OE-4-4-JDG.

No. 491—Current Export Bulletin No. 124

The Office of Exports has issued Current Export Bulletin No. 124 on the following subject:

Decentralization Controls Eased for Sixteen American Republics—Paper Work Simplified for All

A. DECENTRALIZATION MODIFIED

1. Although export controls remain necessary for the successful prosecution of the war, an important step in the easing and simplification of certain procedures has now been effected. As conditions warrant, other controls will be relaxed or eliminated. Paper work, likewise, is being reduced for the exporters by eliminating the need for answering a number of questions in the license application form.

After October 1, 1943, goods which are in free supply, destined to satisfactory consignees in the countries hereinafter listed, may be exported without an export license or an import recommendation, the only document required for this class of goods being a statement of cargo availability (BEW 138), and then only in

the case of shipments weighing 2,240 pounds or more. Furthermore, Import Recommendations are waived in the case of goods valued at \$25 or less including those remaining under individual license.

Countries Affected—2. The proposals and modifications announced in Current Export Bulletins 115, 120 (Announcements Nos. 482 and 487 in FOREIGN COMMERCE WEEKLY for September 4 and September 18, respectively) and this Bulletin will be effective for the following countries:

Brazil.	Haiti.
Chile.	Honduras.
Colombia.	Nicaragua.
Costa Rica.	Panama.
Dominican Republic.	Paraguay.
Ecuador.	Peru.
El Salvador.	Uruguay.
Guatemala.	Venezuela.

As Mexico and Cuba have both been under a modified plan of decentralization (Bulletins 104 and 105, Comprehensive Export Schedule No. 12, pp. 121-124) the procedures specifically applicable to those countries remain effective. However, the simplification of application for export licenses accompanied by import recommendations outlined herein (secs. B and C) will likewise apply for these countries.

Effective Date—3. These arrangements will become effective October 1, 1943.

General Licenses Reinstated—4. Commodities exportable under general license to Group K countries as set forth in Comprehensive Export Schedule No. 12 as amended in Current Export Bulletins 121 and 122 (Announcements Nos. 488 in FOREIGN COMMERCE WEEKLY for September 18, and 489 above) may now also be shipped under general license to the countries mentioned in A-2 above. It will no longer be necessary to submit individual license applications for such exportations. It will also be unnecessary to submit Import Recommendations¹ to the Office of Economic Warfare for the exportation of such shipments.

Exporters holding valid individual licenses for the items going under general license as of October 1 are required to return such licenses to the Office of Exports, Office of Economic Warfare, Washington 25, D. C., immediately so that there will not be a group of outstanding licenses unaccounted for by the Division of Statistics and Reports of the Office of Exports.

Any Import Recommendations not to be used under the terms of this bulletin should be returned promptly to the Office of Exports, Office of Economic Warfare, Washington 25, D. C., or returned to the importer with a copy of the transmittal letter to the Office of Exports.

B. EXPORT LICENSE APPLICATIONS SIMPLIFIED FOR EXPORT TO ALL LATIN AMERICAN REPUBLICS

No. IR's Needed for \$25 Shipments—1. The submission of Import Recommendations will no longer be required with any

¹ Wherever the phrase "Import Recommendations" is used in this bulletin, it includes "Export Recommendations" in the case of Mexico and "Preference Request Recommendations" in the case of Brazil.

license applications for commodities involving quantities valued at \$25 or less.

Fewer Answers on BEW 119 and Bottom Part of BEW 166—2. In filling out form BEW 119 (revised 12/30/42), and the lower part of BEW 166, for shipments to the Latin American Republics, answers to certain questions may be omitted on condition that an Import Recommendation accompanies the application.² The following questions need no longer be answered on applications submitted with I. R.'s:

- If for resale, name of (check one):
Distributor/wholesaler, retailer,
user Address.
- Total Cubic Measurements.
- Total Gross Weight.
- If any other application covering the material, etc.
- Check method of shipment, etc. (except in case of mail shipments).
- Range of ports, etc.
- If the article or material covered by this application has been or is being manufactured, etc.
- If this is an application to export to any of the Selected, etc.

Consideration is now being given to a simplified form of BEW 119 for future issuance.

C. STATEMENT OF CARGO AVAILABILITY

Shipments Weighing Less than 2,240 Pounds—1. In the case of all exportations whether under general or individual license to all the Latin American Republics, where the weight is less than 2,240 pounds, no Statement of Cargo Availability (BEW 138) is required and the shipment may be booked directly with the steamship company.

2. The regulation which sets a limit of one such shipment to a single port of call on a single vessel without submission of a BEW 138 is cancelled.³ It remains unlawful, however, for an exporter to split his shipments or orders into less than 2,240 pound lots for the purpose of booking directly with the steamship operator instead of filing a Statement of Cargo Availability. In the case of such shipments under general license, it remains the responsibility of the exporter to clear the desirability of the consignee and purchaser through the usual channels.

General License Shipments Weighing 2,240 Pounds or More—3. In the case of shipments under general license where the weight is 2,240 pounds or more, Statements of Cargo Availability (BEW 138) are to be submitted to the New York office, Office of Economic Warfare, 61 Broadway, New York 6, N. Y. The Office of Economic Warfare will forward them to the War Shipping Administration, Division of Cargo Clearance, 39

² It is to be noted that the elimination of certain questions on the license form is permissible in the case of all of the Latin American Republic and not only those noted in A-2 above.

³ Current Export Bulletins No. 81-II, No. 86-II and III, No. 96-VII (Announcements Nos. 447, 452, and 461 in FOREIGN COMMERCE WEEKLY for March 13, March 27, and May 8, respectively); Comprehensive Export Schedule No. 12, p. 136, pars. 2-b and 3-b.

Broadway, New York 6, N. Y., unless contrary to the interests of the war effort. All questions on the BEW 138 must be answered by the exporter.

Individual License Shipments Weighing 2,240 Pounds or More—4. In the interest of simplicity and to take full advantage of the changes now possible, the requirement of simultaneous submission of BEW 119 and BEW 138 announced in Current Export Bulletin No. 102 (Announcement No. 469 in FOREIGN COMMERCE WEEKLY for July 10) is rescinded. Form BEW 138 shall, however, be submitted to the New York office, 61 Broadway, New York 6, N. Y., as soon as a definite or reasonably estimated date of readiness can be given, whence they will be sent to the War Shipping Administration as heretofore.

It is urged that Form BEW 166 be used wherever possible; this form has been revised in accordance with exporters' recommendations and will be introduced in a forthcoming bulletin.

SP Licenses—5. Submissions of BEW 138's for shipment under SP Licenses must still be made to the Office of Exports in Washington and are not affected by this bulletin.

Newsprint—6. Exporters of newsprint are to continue submitting form BEW 138 to the Office of Exports, Washington 25, D. C., as in the past.

Elimination of Shipping Ratings—7. Beginning October 1, 1943, shipping ratings will no longer be assigned in the case of goods under either individual or general license. The priority of the booking of cargo will be controlled through the medium of the monthly shipping program for each country furnished the War Shipping Administration by the Office of Economic Warfare and the Department of State.

NOTE: This bulletin is not to be construed as meaning that the Office of Economic Warfare is departing from its often-stated purpose of giving shipping preference to the goods either under individual or general license which are essential to the country of destination as determined by that country. No assurance is given by the Office of Economic Warfare, expressed or implied, that all of the materials and commodities going under general license as of October 1, 1943, will assuredly find shipping space. Exporters are cautioned to use due prudence in making commitments for goods under general license which are not essential to the country of destination or which may be subject to import regulations in the country of destination.

Import Control

No. 36—Amendment of General Imports Order M-63, Making Specified Changes in Lists I, II, and III, and Certain Additions to the List of Exemptions Provided in Paragraph (b) (4) of the Text of the Order.

Effective September 23, 1943, the War Production Board has issued an amendment of General Imports Order M-63 as Amended, making the following changes in the lists of materials subject to the order (Schedule A Commerce Import Class Numbers in parentheses):

Added to List I—Brushes, n. s. p. f.: paint brushes (including artists') (9715.100);

other (except toilet brushes and hair pencils) (9715.900).

Added to List II—Cashew nut shell liquid (oil) (2171.850).

Removed from List II—Cashew nut shell oil (2260.050); cotton lintens, munitions or chemical grades only (grades 3-6 according to Department of Agriculture classification (N. S. C.)).

Added to List III—Cotton lintens (all grades) (3005.000); olive oil, edible (1424.000 and 1425.000); olive oil inedible; sulphured or foots (2244.000); other (2245.000); peanut butter (1380.090); ramie fiber or China grass, unmanufactured (3409.600).

Removed from List III—Cotton lintens, other than munitions and chemical grades (grades 1 and 2 according to Department of Agriculture classification) (N. S. C.); lamb and sheep fur, except Caracul and Persian Lamb (0711.300); sheep and lamb skins, slats, dry, no wool (0231.700).

Moved from List II to List III—Wool, apparel, finer than 44s (3520.000, 3521.100, 3521.200, 3521.300, 3522.000, 3523.100, 3523.200, 3523.300, 3526.000, 3527.100, 3527.200, 3527.300, 3528.000, 3529.100, 3529.200, and 3529.300); wool, apparel, finer than 40s but not finer than 44s (3513.000, 3514.100, 3514.200, 3514.300, 3524.000, 3525.100, 3525.200, and 3525.300).

The governing date for all of the newly added material is September 23, 1943. As of that date importation of these commodities may be made only under written authorization of the War Production Board for which application must be filed in duplicate on Form WPB-1041 (formerly PD-222-C). However, shipments of the materials in transit to a point within the continental United States on the governing date do not require authorization.

The additions to the text of the order, referred to above, contained in the present amendment provide the following added exemptions to those heretofore set forth in paragraph (b) (4) of the order, thus making it unnecessary to apply to the War Production Board for an import authorization for any of the following:

- (viii) Manufactured materials which are imported in bond solely for the purpose of having them repaired and then returned to the owner outside the continental United States.
- (ix) Materials which were grown, produced, or manufactured in the continental United States, and which were shipped outside the continental United States on consignment or pursuant to a contract of purchase, and which are now returned as rejected by the prospective purchaser.
- (x) Materials shipped into the United States in transit from one point in Mexico to another point in Mexico, or from one point in Canada to another point in Canada.

A minor clarification has also been made in Interpretation 1 of M-63 dealing

Latin American Exchange Rates

[NOTE.—Averages are based on actual selling rates for sight drafts on New York, in units of foreign currency, per dollar with the following exception: Cuba—United States dollars to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to the dollar.]

Country	Unit quoted	Type of exchange	Annual average rate		Latest available quotation		
			1941	1942	Rate	Approximate equivalent in U. S. currency	Date, 1943
Argentina	Paper peso	Official A	3.73	3.73	3.73	\$0.2681	Aug. 28
		Official B	4.23	4.23	4.23	.2364	Do.
		Bid	4.88	4.94	4.94	.2024	Do.
		Free market	4.24		4.00	.2500	Do.
Bolivia	Boliviano	Controlled	43.38	46.46	42.42	.0236	Aug. 31
Brazil	Cruzireiro	Curb	54.02	49.66	44.50	.0225	Do.
		Official	16.50	16.50	16.50	.0606	Sept. 1
		Free market	19.72	19.64	19.63	.0509	Do.
		Special free market	20.68	20.52	20.30	.0493	Do.
Chile	Peso	Curb	20.30				
		Official	19.37	19.37	19.37	.0516	July 31
		Export draft	25.00	25.00	25.00	.0400	Do.
		Curb market	31.78	31.75	31.90	.0313	Do.
		Free	31.15	31.13	31.00	.0323	Do.
		Gold exchange	31.15	31.13	31.00	.0323	Do.
		Mining dollar	31.35	31.13	31.00	.0323	Do.
		Agricultural dollar	31.15	31.13	31.00	.0323	Do.
Colombia	do	Controlled	1.75	1.75	1.75	.5714	Aug. 31
		Bank of Republic	1.76	1.76	1.76	.5682	Do.
		Stabilization Fund	(¹)	(²)	(³)	(⁴)	Do.
		Curb	1.85	1.77	1.75	.5714	Do.
Costa Rica	Colon	Uncontrolled	5.85	5.71	5.64	.1773	Do.
		Controlled	5.62	5.62	5.62	.1779	Do.
Cuba	Peso	Free	.98	1.00	1.00	1.0000	Sept. 11
Ecuador	Sucre	Central Bank (Official)	15.00	14.39	14.10	.0709	July 20
Honduras	Lempira	Official	2.04	2.04	2.04	.4902	Sept. 1
Mexico	Peso	Free	4.86	4.85	4.85	.2062	Aug. 21
Nicaragua	Cordoba	Official	5.00	5.00	5.20	.1923	Sept. 4
		Curb	6.93		5.25	.1905	Do.
Paraguay	Paper peso	Official		333.00	333.00	.0030	Sept. 3
Peru	Sol	Free	6.50	6.50	6.50	.1538	Sept. 11
Salvador	Colon	do	2.50	2.50	2.50	.4000	July 31
Uruguay	Peso	Controlled	1.90	1.90	1.90	.5263	Aug. 31
		Free	2.31	1.90	1.90	.5263	Do.
Venezuela	Bolivar	Controlled	3.28	3.35	3.35	.2985	Sept. 4
		Free	3.75	3.45	3.35	.2985	Do.

¹ Under law of October 6, 1942, the cruzireiro became the unit of currency, replacing the milreis. Since November 1, 1942, exchange quotations have been in terms of cruzireiros and centavos to the dollar.

² Established March 25.

³ For class 2 merchandise 1.795; class 3, 1.87; class 4, 1.95.

⁴ For class 2 merchandise, 1.765; class 3, 1.775; class 4, 1.785.

⁵ July 24-December 31.

NOTE.—Special rates apply to automotive equipment and agricultural machinery imported from the United States into Argentina.

ing with release of List I materials which have entered the country in bond.

No. 37—Amendment to Supplemental General Imports Order M-63—a Making Specified Addition to Schedule A.

Effective September 23, 1943, an amendment to Supplemental General Imports Order M-63-a as amended August 5, adds peanut butter (Commerce Import Class No. 1380.090) to Schedule A of that supplemental order.

The effect of this amendment is to remove this product from the exemption which is granted to List III materials shipped overland, by air, or by inland waterway from Canada, Mexico, Guatemala, and El Salvador, by terms of Supplemental General Imports Order M-63-a, and to require written authorization from the War Production Board, in accordance with paragraph (b) of General Imports Order M-63, for importation of the above product from the designated sources, regardless of the means of transportation.

Colombian Woods To Reinforce Concrete?

The Colombian engineer, Max Borrero Navarro, of the city of Barranquilla, claims to have found a method of using the woods of Colombia for reinforcing concrete structures, in place of steel reinforcing bars, which are now very difficult to obtain.

He claims that his method has successfully met various tests and says that he is now applying for a patent on his method and procedure.

Unofficial Axis reports from Kiev recently stated that the total area devoted to the cultivation of spices and medicinal plants in the Ukraine is 70 times greater than in Germany. The fact occasioned gratification among the Nazis—but the present progress of the Soviet armed forces makes it seem likely that the benefit will actually accrue to the U. S. S. R.

Trade Mark Applications

Argentina.—The following applications for trade-mark registration were published in the Boletín Oficial of August 31, 1943. Opposition must be filed before October 4, 1943.

Trade-mark	Class Number and Commodity
Maraton	No. 10—Entire class.
Richmond	No. 10—Entire class.
Gladiator	No. 8—Entire class.
Domino	No. 1—Entire class.
Vita	No. 22—Entire class.
Cook's	No. 22—Entire class.

Argentina.—The following applications for trade-mark registration were published in the Boletín Oficial of September 7, 1943. Opposition must be filed before October 11, 1943.

Trade-mark	Class Number and Commodity
Newsweek	No. 18—Entire class.
Alfa	No. 3—Entire class.
Papyrus	No. 18—Entire class.
C. H.	No. 10—Entire class.
Junior	No. 2—Entire class.
Page	No. 10—Entire class.

Brazil.—The following applications for trade-mark registration were published on the dates indicated in the Official Gazette of Brazil. Opposition must be filed within 60 days from the date of publication.

Trade-mark	Class number and product	Date of publication
Sulphamerazine—Imperial Chemical (pharmaceuticals) Ltd., Slough—Inglaterra.	No. 3—Pharmaceutical product.	1943 Aug. 3
Deposition—Instituto de Terapeutica "Humanitas."	do.	Do.
Aloma	No. 48—Perfumery.	Do.
Iankibril	No. 10—Adhesive tape and bandages.	Do.
Aladdin	No. 55—Preparation for polishing metals.	Do.
Piloto	No. 32—Cloths and stuffs of wool, worsted, or hair.	Do.
Vaselina Tónica—Pura e Medicinal—Cabelos limpos, brilhantes e sedosos—Produto importado dos Estados Unidos—Sacra Fe—marca registrada—E. U. do Brasil.	No. 3—Pharmaceutical product.	Aug. 6
Sacra Fe	No. 48—Perfumery.	Do.
Santa Fe	No. 3—Pharmaceutical product.	Do.
Clara Fe	No. 48—Perfumery.	Do.
Reflex	do.	Do.
Santa Fe	do.	Do.
K. D. T.	No. 10—Hypodermic syringe.	Aug. 7
Machlap	No. 17—Construction materials.	Do.
Electromat	No. 8—Electrical equipment and other electrical products.	Do.
Ebe	No. 5—Unwrought and partially wrought metals used in manufactures.	Do.
Ebe	No. 4—Raw or partially prepared mineral products, used in manufactures, and not included in other classes.	Do.

Trade-mark	Class number and product	Date of publication
Lucite	No. 48—Brushes and combs.	1943 Aug. 7
York	No. 36—Shoes.	Do.
Leao—Marca Registrada (Lion Brand).	No. 4—Linseed-oil.	Do.
Aristocrata	No. 37—Handkerchief.	Do.
Colirgol—Laboratorio Vinatan Ltda.	No. 3—Pharmaceutical product.	Aug. 9
Machlap	No. 17—Engineering, architectural, and building contrivances.	Do.
Iodo-Phospharseno (Gotas) Medicamento Phospho-iodo-arsenical-organico.	No. 3—Pharmaceutical product.	Do.
Biophitol	do.	Do.
Pansalus	do.	Do.
Imperio	No. 41—Vinegar and sirups made of sugar.	Do.
	No. 42—Fermented liquors and spirits.	
	No. 43—Artificial mineral waters.	
Dentin	No. 3—Medicinal product for odontological use.	Aug. 10
	No. 10—Surgical instruments.	
	No. 48—Preparations for the teeth.	
Yorke	No. 10—Surgical instruments.	Do.
	No. 48—Soaps.	
Fixodentin	No. 10—Surgical, veterinary, dental, or curative instruments and supplies.	Do.
Primolex	No. 10—Sponge-rubber chair seats.	Do.
Iodonitrix	No. 3—Pharmaceutical and medicinal product.	Do.
Ipilite	No. 1—Chemical preparation used for manufacturing plastic materials.	Do.
	No. 4—Natural or artificial resin used for manufacturing plastic materials.	Do.
Aloxidum	No. 4—Emery, all types.	Aug. 11
Naxolum	do.	Do.
Silcarbum	do.	Do.
Norma	No. 48—Perfumery.	Do.
Premier	No. 36—Handkerchief.	Do.
M. L. N.—Brasil	No. 1—Chemical products used in industries.	Aug. 12
	No. 2—Chemical products used for agricultural, horticultural, veterinary, and sanitary purposes.	
	No. 3—Chemical products used in medicine and pharmacy.	
	No. 4—Mineral, vegetable, and animal products, used in manufactures.	
	No. 5—Metals.	
	No. 6—Machinery and tools.	
	No. 7—Agricultural and horticultural machinery.	
	No. 8—Instruments.	
	No. 10—Instruments and apparatus for surgical purposes.	
	No. 11—Cutlery and edge tools.	
	No. 12—Metal goods.	
	No. 13—Goods of precious metals and imitations of such goods and jewelry.	
	No. 16—Manufactures from mineral and other substances for building or decoration.	
	No. 17—Engineering, architectural, and building contrivances.	

Trade-mark	Class number and product	Date of publication
M. L. N.—Brasil	No. 18—Arms, hunting and war ammunition.	1943 Aug. 12
	No. 19—Explosive substances.	
	No. 20—Naval architectural contrivances and naval equipments not included in other classes.	
	No. 21—Carriages.	
	No. 38—Paper.	
	No. 40—Furniture and upholstery.	
	No. 55.	
	No. 60.	
N. L. M.—Brasil	Nos. Same as above.	Do.
Red-Indian	No. 41—Substances used as food or as ingredients in food.	Do.
Aguardente Dog	No. 42—Fire-water.	Do.
Ophthalmia	No. 3—Pharmaceutical product.	Aug. 13
Dysenterium	do.	Do.
Sportex	No. 23—Cotton piece goods of all kinds.	Aug. 14
	No. 29—Natural silk, or rayon, piece goods.	
Floritex	do.	Do.
Albater	do.	Do.
Flamitex	do.	Do.
Beautex	do.	Do.
Supertex	do.	Do.
Fibro	No. 52.	Do.
Iodoflex—Laboratorio Vita S. A.	No. 3—Pharmaceutical product.	Do.
Hormocutina—Laboratorio Kalmo Ltda.	do.	Aug. 16
Novaseptic	do.	Do.
Sardine Paste	No. 41—Sardine paste.	Do.
Ritz	No. 48—Perfumery.	Do.
Lactocinol—Farmaceutico Miguol Valle dos Santos.	No. 3—Pharmaceutical product.	Do.
Graffe C. N. G.	No. 4—Raw or semiraw mineral, animal, or vegetable products.	Do.
Oto-Sanover—Laboratorio Sette Ltda.	No. 3—Pharmaceutical product.	Aug. 17
Rinaspirol—Laboratorio Sette Ltda.	do.	Do.
Big-Ben	No. 41—Foodstuff.	Do.
Long Life	No. 10—Surgical instruments.	Do.
	No. 17—Engineering, architectural, and building contrivances.	
	No. 40—Furniture.	
Chinolite	No. 1—Chemical product.	Do.

Uruguay.—The following applications for trade-mark registration were published in the Diario Oficial of Montevideo, on the dates noted. Opposition must be filed within 30 days from the date of publication.

Trade-mark	Product	Date of publication
Apololux	Paints, varnishes, etc.	1943 Aug. 30 to Sept. 4
Continental	Groceries, foodstuffs.	Do.
Kentucky	Industrial and agricultural machinery.	Do.
Nonzema	Perfumery and toilet.	Do.
Bioforina	Drugstore and chemical product.	Do.
Gel-Al Proteo	do.	Do.
Cor-Angor Proteo	do.	Do.
Linnifex	Industrial and agricultural machinery.	Do.
Lince	Paints and varnishes, furniture, carpets, oil-cloth, drapes, barrels, etc.	Do.

In eastern Flanders trees of more than a yard in circumference have been requisitioned for the wooden-shoe industry. It is expected that this measure will almost completely deforest this Belgian Province.

New Books and Reports

★ The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. Please note: The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Current Interest Appearing in the Department of State Bulletin September 18, 1943

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Assistant Secretary of Documents, Government Printing Office, Washington, D. C., for the price of 10 cents each; subscription price \$2.75 a year. The September 18 issue contains these articles:

OUR FOREIGN POLICY IN THE FRAMEWORK OF OUR NATIONAL INTERESTS: ADDRESS BY THE SECRETARY OF STATE.

STATEMENT BY THE SECRETARY OF STATE ON THE ANNIVERSARY OF THE MUKDEN INCIDENT.

ADHERENCE OF IRAN TO THE DECLARATION BY UNITED NATIONS.

HEALTH PROBLEMS IN OCCUPIED COUNTRIES: ADDRESS BY JAMES A. CRABTREE.

FACILITIES FOR NEWS CORRESPONDENTS PROVIDED BY ALLIED HEADQUARTERS IN NORTH AFRICA.

AFRICA—MAPS AND MEN: ADDRESS BY S. W. BOGGS.

ANNIVERSARY OF MEXICAN INDEPENDENCE.

ANNIVERSARY OF CHILEAN INDEPENDENCE.

THE NON-THREATENING MOTION-PICTURE PROGRAM ABROAD.

DISTINGUISHED VISITORS FROM OTHER AMERICAN REPUBLICS.

APPOINTMENT OF DEPARTMENT OFFICERS.

Other Publications

RESEARCH AND POST-WAR PLANNING. United Nations Information Office. 1943. Separate volumes consisting of: Survey of Agencies, Part X; Bibliography, Part X. Additional volumes in a series listing sources of information that will be helpful to those interested in post-war planning. Contains also a bibliography of books and articles treating with the many phases of post-war reconstruction.

Available from: United Nations Information Office, 610 Fifth Avenue, New York 20, N. Y.

THE BRITISH COMMONWEALTH AT WAR. William Yandell Elliott and H. Duncan Hall (editors). 1943. 539 pp. Price, \$5. A detailed analysis of the war organization and the war effort of the British Commonwealth of Nations. Includes chapters on Australia, Ireland, New Zealand, the Union of South Africa, and India. Discusses the political, economic, and administrative developments in

Canada and the organization of supply in Great Britain; and compares wartime administration in Great Britain and Germany.

Available from: Alfred A. Knopf, Inc., 501 Madison Avenue, New York, N. Y.

THE SPANISH Labyrinth. Gerald Brenan. 1943. 403 pp. Price, \$3.50. Recounts in detail the modern social and political history of Spain. Describes political methods; the hardships suffered by workers; and the difficulties encountered by leaders and men of politics. Includes a balanced account of the part played by the Church and the Religious Orders. Deals also with the Republic, its humane beginnings and its end in civil war.

Available from: The Macmillan Co., 60 Fifth Avenue, New York 11, N. Y.

FOUR KEYS TO GUATEMALA. Vera Kelsey and Lilly de Jongh Osborne. 1943. 346 pp. Price, \$3. Illus. A source of practical information as well as of background knowledge of Guatemala. Discusses its social, cultural, and economic history, its arts and crafts, fiestas and ceremonies. In one section are listed nearly 200 towns and villages with their altitudes, names of Indian tribes living there, market and fiesta days, and points of interest, supplemented by an accurate road map.

Available from: Funk & Wagnalls Co., 354 Fourth Avenue, New York, N. Y.

INDIA'S PROBLEM CAN BE SOLVED. DeWitt Mackenzie. 1943. 275 pp. Price, \$3. Based on the premise that India is the arsenal of the Middle East and a base from which to attack Japan, and that it will be an important factor in post-war reconstruction. Paints a colorful picture of that strange and diverse world known as India. Discusses the 60,000,000 "untouchables," the great industrial potential of this land of squalor and pov-



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Contributors' Column

Edwin Warley James ("Engineering Aspects of Today's Progress on the Inter-American Highway") is Chief of the Inter-American Regional Office of the United States Public Roads Administration. He is one of the great road builders the United States has produced. Mr. James spends as much time in the field as in Washington. Bridge-building operations of the Public Roads Administration in Central America are under his direction. So also are the engineering reconnaissance surveys being made to determine the route from the Panama Canal south to Colombia. He is author of many important highway engineering studies and articles, including "Highway Construction Administration and Finance." He was an official delegate of the United States Government at the Fourth Pan American Highway Congress held in Mexico City in 1941.

erty; and gives intimate pictures of India's great leaders, Gandhi, Nehru, Tej Bahadur Sapru, Mohammed Ali Jinnah. Presents reasons for the failure of the Cripps mission and includes significant passages on Japan's "Great East Asia Co-Prosperity Sphere."

Available from: Doubleday, Doran & Co., Inc., 14 West 49th Street, New York, N. Y.

ANUARIO AZUCARERO DE CUBA 1943 (CUBAN SUGAR YEAR BOOK). Cuba Económica y Financiera. 1943. 148 pp. Price, \$3. A Cuban sugar census and international statistical manual, containing data on Cuba's regulations and quotas, production, prices, exports, subproducts, warehouses, and transportation, private organizations of the sugar industry, measurements, communications, cartography. Includes a section on the United States and other countries, presenting a chronology of 1942, sugar consumption in the United States 1865-1942, rum imports into the United States, sugar production figures 1905-42, tariffs, price regulations, and other pertinent details. Contains also a directory section.

Available from: Cuba Económica y Financiera, P. O. Box 2549, Habana, Cuba.

Free China's Iron Ore

Iron-ore reserves of unoccupied China are reported at 140,000,000 tons, of which it is estimated that Szechwan has 17 percent, Sikang 20 percent, and Kweichow 22 percent.

Iron production in Szechwan rose to 44,341 tons in 1942 from the 41,199 tons reported for 1941.

Domestic Commerce

written for

BUSINESSMEN . .

- Here is an authoritative monthly periodical written in the language of the American businessman. It is one of the principal organs of the Department of Commerce for disseminating information deemed of importance in maintaining a vigorous and dynamic free enterprise system.
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SHAPE THE FUTURE

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Issued by the UNITED STATES DEPARTMENT OF COMMERCE, JESSE H. JONES, Secretary

THIS WEEK

British Plans for Post-War Full Employment	3
Chile Plans Low-Rent Homes	5

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tomhouse.
Savannah, Ga., 403 U. S. Post Office
and Courthouse Bldg.
Seattle 4, Wash., 809 Federal Office
Bldg.

News by COUNTRIES

Argentina	6	Haiti	10
Australia	7	India	10
Belgium	7	Iraq	10
Brazil	7	Mexico	10
British Honduras	8	New Zealand	10
Chile	8	Nigeria	10
Costa Rica	8	Palestine	10
Cuba	9	Panama	11
Dominican Republic	9	Peru	11
France	9	Spain	11
French Cameroun	9	Switzerland	11
French Equatorial Africa	9	Tanganyika	12
French North Africa	9	United Kingdom	12
French Somaliland	9	Uruguay	12
Greece	10	Zanzibar	12

News by COMMODITIES

Coal, Coke, and Peat	14	Motion Pictures and Equipment	13
Construction	14	Oils, Fats, and Oilseeds	18
Cork and Products	14	Paper and Related Products	20
Electrical Machinery and Equip- ment	14	Petroleum and Products	20
Foodstuffs and Allied Products	15	Railway Equipment	20
Leather and Related Products	17	Soaps, Toiletries, and Essential Oils	20
Lumber and Products	18	Special Products	20
Medicinals and Crude Drugs	18	Textiles and Related Products	21

REGULAR DEPARTMENTS

Latin-American Exchange Rates	23	New Books and Reports	22
United States Export Control and Related Announcements	26	Pertinent Comments on World Economy Today	7
Trade-Mark Applications	24	Contributors' Column	22

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PUBLISHED WITH THE APPROVAL OF THE DIRECTOR OF THE BUDGET (42 J. C. F.)

British Plans for Post-War FULL EMPLOYMENT

By DONALD F. HEATHERINGTON, *British Empire Unit, Bureau of Foreign and Domestic Commerce*

IN HIS BROADCAST of March 21, 1943, Mr. Churchill told the British people and the world that it "is our duty to peer through the mists of the future to the end of the war and . . . to be prepared by ceaseless effort and forethought for the kind of situations which are likely to occur." Public attention, both here and in the United Kingdom, in the past few months has been increasingly directed to the innumerable problems of post-war reconstruction; in Britain in particular, plans and programs dealing with the various aspects of these questions have been issued by individuals, companies, associations, research organizations, and newspapers, to say nothing of the official and semi-official statements of governmental bodies and leaders. All shades of political and economic opinion have been represented, and the plans themselves range from the very general to the exceedingly detailed and specific.

As Sir William Beveridge has pointed out, the maintenance of employment is probably the most urgently important and the most difficult of all the reconstruction problems with which Britain is faced. This is true if for no other reason than that the maintenance of somewhere near "full employment" involves practically all the other post-war problems now under discussion. Undoubtedly progress is being made toward some solutions through the medium of public discussion, whether by political leaders or by business and professional leaders. To attempt a detailed discussion of all the plans would require a considerable amount of space, and in many instances would prove to be repetitious. Here, then, attention will be centered on three or four of the most recent statements as they relate to the foremost problem of reconstruction—that is, full employment.

Employment in Interim Period

The immediate consideration facing those concerned with employment policy is planning for the interim period which will follow the cessation of hostilities and precede the readjustment of the economy to a peacetime status. This, of course, involves setting up machinery to arrange for the return of those now in

the services and in war industries to normal peacetime occupations.

The Federation of British Industries has suggested that careful consideration must be given to orderly demobilization in order that the labor market be kept free from the chaotic conditions which would be created by the sudden dumping of men upon it before it was prepared to absorb them. It appears that the Federation has in mind the establishment of a process similar to the one involved in the "calling up" of persons for war service, but operating in reverse.

Individuals under this scheme would be released and demobilized according to the market demand for their respective skills and at a speed consistent with the ease with which placements could be made.

The Association of British Chambers of Commerce similarly has expressed concern over demobilization and has recommended that the Government assist the small businessman, financially if need be, so that he may reestablish himself in an efficient working condition after the war.

It is expected, however, that employment during the interim period will be provided in part by the task of physical restoration and replacement. Less obvious, but almost equally urgent, will be the tasks of making good the industrial wastage resulting from excessive wear-and-tear and obsolescence, and of building up depleted stocks.

There is also the expectation, based upon certain known facts, that the backlog of consumer demand will be of considerable proportions. Mr. Churchill has stated in reference to this that, "At the end of this war there will be seven or eight million people in the country with two or three hundred pounds [sterling] apiece, a thing unknown in our history." This would be roughly equivalent to a total of more than \$7,000,000,000.

Other observers see the problem of re-employment diminished somewhat by the necessity for maintaining for some time an armed force at a higher standing strength than in the pre-war days.

Finally, it is felt that there will not be the same wholesale curtailment of defense activities as followed the last war.

Inflationary Dangers

Despite these expectations there is general agreement that in the interim period many potentially dangerous developments can only be warded off by wise management and planning—a fact ac-

cepted by most of the business associations in their admission that controls will be necessary for some time.

The British economist, R. G. Hawtrey, has drawn attention to the fact that after the last war inflation was let loose, and, when it had gone further than anyone was willing to tolerate, it was reversed by an unprecedented deflation and an epidemic of unemployment.

With this in mind the Association of British Chambers of Commerce has specifically warned against neglecting the consumer-goods industries in the interim period, and has suggested a policy of balancing the employment of released workers to prevent a distribution of purchasing power in excess of the consumer goods available—which, if allowed to occur, would "lead to serious inflation." The Association has suggested further that suitable consumer-goods industries be deconcentrated, subject to the availability of raw materials, as expeditiously as possible, and that there be an early modification of the Limitation of Supplies Orders.

Long-Range Employment Policy

Concern for the employment of the working population does not end with the interim adjustment period. The whole employment problem is one for consideration in plotting long-range policy, both from the angle of employment promotion and from the angle of unemployment prevention.

To many observers, the provision of steady employment should be the first aim of all planning and should have first call upon the resources of the nation. In the words of the Nuffield College Statement, it is generally agreed that "after the war a high level of employment will be both an economic and a moral necessity." Beyond the transition period the employment problem becomes one of preventing the mass unemployment arising out of cyclical depressions and structural unemployment arising out of maladjustments of productive activity.

The approaches to this problem are many and varied, and the proposed solutions are generally conditioned by the assumptions made regarding the causal factors behind the mass unemployment. Thus, the solutions offered are based on any number of theories of unemployment causation, including underconsumption, overproduction, over-saving, underinvestment, monetary and credit maladjustments, and other related factors.

The Carr Plan

Prof. E. H. Carr, in his recent book entitled "The Conditions of Peace," has set forth two essentials of economic reconstruction. He argues, first, that planned consumption must precede and condition planned production, and, secondly, that there must be substitution of welfare for wealth as the governing purpose and therefore that there must be an abandonment of the considerations of price and profit as the determining factors of production.

The idea of planned consumption leads to the suggestion that there is a need for drawing up an infinitely expandable plan of consumption with graded priorities which will assure that the productive forces are working to the fullest capacity for the fulfillment of the plan. This, in turn, involves approaching the unemployment problem not by way of prevention but by way of creating needs vast enough to make a full call on all resources and "normally imperative enough to command the necessary measure of sacrifice to supply them."

In other words, Carr takes note of the fact that work has been created during the war through the willingness of the people to sacrifice for a cause, and urges that work be created during peacetime on the same basis—work destined to fulfill a purpose felt by the community to be worthy of self-sacrifice.

Professor Carr concludes: "Once it is clearly established that the purpose of our economic system is to produce things wanted, directly or indirectly, for consumption, not things which it is profitable to produce, the limits of what is practicable in the way of achievement can in all probability be set fairly high."

The Unilever Plan

One of the most interesting and detailed plans for eliminating unemployment has been advanced under the auspices of the British firm of Lever Brothers and Unilever in a pamphlet entitled "The Problem of Unemployment." The London Times welcomed this plan as "a timely antidote to some of the crude versions of the underconsumption and monetary theories of the trade cycle that have recently been put forward." The Economist likewise called it a "notable contribution" and "outstanding among the contributions made by industry to the discussion" on future economic policy.

Freedom from want, the Unilever report argues, presupposes the productive capacity of the nation being used continuously, without restriction, and being used in the provision of consumer goods and in provision for its own existence and extension. Where irregularity of employment exists, there is irregularity of productive activity, resulting generally from the irregularity of capital investment.

The task, then, of planning investment so that it will be sufficiently large and sufficiently regular to prevent the occurrence of cyclical unemployment lies with the Government, and this task can be carried out through the powerful means

of indirect control possessed by the Government.

The basic objective toward which economic policy would be directed under this scheme would be the regulation of the extension of capital equipment. It is pointed out that the Government has tremendous power to influence the whole economic system by its monetary and budgetary policies, since it controls the monetary system, virtually decides the rate of interest on the markets, and by its own expenditures and power to tax regulates the ultimate distribution of the national income.

The Unilever plan suggests that there should be two budgets—the ordinary budget balanced annually to meet standing expenditure out of current revenue, and "an extraordinary budget to meet normal capital expenditure and such emergency measures as should be taken in times of depression to fight unemployment or stimulate trade." Through the extraordinary budget the Government would accelerate capital expenditure in times of depression or imminent slumps, and would slow them down or halt them when a boom appeared near.

Similarly, taxes would be raised and lowered according to economic conditions, and the rate of depreciation allowed on new capital investment for taxation purposes would also be reduced or raised. It is suggested further that it might be possible to tax or remove taxes on capital expenditures, to expand or contract the credit base, raise or lower interest rates, and impose or remove restrictions on the use of credit.

The main difficulty here would appear to be the proper timing of these actions. It is proposed that the labor reserve be taken as the indicator; when there is a marked diminution of the numbers of the labor reserve or when the turn-over increases, a boom would be indicated; when the reverse is observed, a slump would be in the offing. The indications given would be taken as conclusive only if they were confirmed by other related observations of economic phenomena. All this, of course, involves the determination of the "right level" for the labor reserve.

In the event, however, that these measures proved insufficient to check either boom or slump conditions, the Unilever plan suggests public works, special youth training, retraining of workers whose unemployment is due to structural, local, or seasonal causes, and employment in temporary work such as afforestation.

Although the Unilever plan does not contemplate any participation by industry in the direction and administration of the anti-unemployment measures, it is suggested that industry might ease the task of the Government by instituting plans of its own, including long-term planning of development in order to avoid violent fluctuations—following a policy designed to foster maximum production at all times, and assisting the maintenance of labor fluidity through retraining of surplus laborers for other work.

Industry would collaborate with Government, at the very least, by furnishing

information on all technical, production, and marketing conditions as needed for the formulation of a proper policy.

Commenting on the plan in general, the Economist of January 23, 1943, observed: "Nothing shrewder has yet been said in business circles about the unemployment problem—though there will doubtless be some pertinent cynicism about its being said on behalf of one of the biggest of monopolists."

The "Economist" Plan

One possible reason for the enthusiasm displayed by the Economist is the fact that the Unilever plan resembles in many ways the Full Employment Plan outlined by the Economist in a series of three articles. Both plans are based on the idea that "cyclical depressions arise, in the main, from lack of balance between the voluntary savings of the community and its expenditures on the maintenance and increase of physical assets," to use the Economist's phrasing.

It is perhaps not wholly justifiable to refer to the plan outlined as the Economist plan, since the articles merely attempted to summarize the present state of "informed opinion" on the prospect of maintaining full employment after the war. The fact that the Economist has repeatedly argued the views set forth in this series and has confessed its belief that in them was presented "the main structure of an agreed and practicable policy," makes it possible, however, to label the plan as that of the Economist.

It is here argued that the periodic lack of balance between savings and investment can be prevented through the control of capital creation, with a view to making it both regular and large enough to absorb the savings of the fully employed community. In pursuing such a policy the State should give priority to the stimulation of capital investment by "remunerative" enterprise (whether publicly or privately owned) and to its own "necessary" investments, defining as necessary those that are called for by policies other than those directly connected with the maintenance of full employment. Only when these lines are exhausted should the State embark upon "unnecessary" and "unremunerative" public works.

In the stimulation of remunerative investment, indirect controls, such as variations of the rate of interest, may prove to be inadequate, and it is proposed that direct methods, such as guarantees against risk and the adjustment of tax burdens, be employed.

The magnitude of the problem is accepted by the Economist, and it is estimated that, at the 1938 price level, full employment for Britain would require the expenditure of £1,200,000,000 annually, or about one-fifth of the gross national output, including the maintenance of capital, on capital goods.

Nuffield College Statement

One of the most recent statements on employment policy has been published
(Continued on p. 13)

By WALLACE K. HARRISON, *Assistant Coordinator, Office of Inter-American Affairs*

IN ORDER TO MEET the pressing need for adequate modern housing for its growing population, Chile plans to build in the immediate future at least 12,000 new dwelling units per year. Recent legislation will make available to the Caja de la Habitación Popular, or Popular Housing Institute, funds sufficient to construct this number of low-rent houses annually for the next 10 years.

Immediate plans call for the construction of a community of 250 modern workers' homes on the outskirts of Santiago, 200 at Concepcion, and 60 at Valparaiso.

Since the Popular Housing Institute was founded in 1907 it has been responsible for the construction of nearly 6,000 housing units in 50 Chilean towns and cities which, it is estimated, give shelter to 40,000 persons and represent an investment of 285,000,000 Chilean pesos, or an average of about \$1,600 (U. S.) per unit. As labor and construction costs are much lower in Chile than in the United States, this amount provides a really substantial dwelling.

The rents of these dwellings range from 80 to 300 pesos per month, based on the premise that the tenant should not spend more than 15 percent of his income for rent. This program reaches those groups earning from 550 to 2,000 pesos (\$16.50 to \$60) a month, the income groups most in need of housing.

Chile's C. S. O., the equivalent of our Social Security system, which has control of the social-security funds, has made large investments in housing in different parts of Chile. This includes 2,000 family units in 5 housing communities, 3 of which are in Santiago and 1 each in Lota and in Antofagasta.

The C. S. O., which has been investing some 16,000,000 pesos annually in low-rent housing, also plans to erect additional workers' communities in Arica, Iquique, Antofagasta, Tocopilla, Puenta Alta, and Valdivia.

All of these steps, however, are only a partial solution of Chile's pressing problem, as housing authorities agree that Chile needs at least 300,000 new dwelling units to house its population properly.

For this reason the Government has now embarked on this expanding housing program, hoping, in time, to catch up with the demand.

While the State, in Chile, is the leader in this nation-wide movement to provide adequate housing, it is by no means alone in this field, as various far-sighted business firms and public utilities also are making their contribution. The public utility which supplies gas to the city of Santiago, for instance, has under construction a community of 500 dwellings for its employees, located conveniently near their place of employment.

The first 95 houses of this development were recently completed and opened by

CHILE Plans Low-Rent Homes

Measures are Designed to Supply Growing Demand for New Dwellings

Juan Antonio Rios, president of the Republic of Chile.

These 95 houses are of two types: The first is type A, 71 houses, with two bedrooms upstairs and with living-dining room, bath, and kitchen on the first floor. The estimated cost of this type is \$1,500 (U. S.) per house, including land and improvements, to rent for \$5.50 per month, covering interest and amortization.

Type B houses, of which there are 23, are somewhat larger, with three bedrooms on the second floor. These cost \$2,000 (U. S.) and will rent for \$7.70 per month.

All houses are equipped with gas stoves for cooking and gas water heaters. All were occupied the moment they were completed, and there is a long waiting list of prospective tenants.

This community, when completed, will consist of 500 dwellings, a medical center, school, sports stadium, and stores, and will house practically all the employees of the gas company. A community nurse will be in constant service at the medical center. The design for this housing community was executed by one of Chile's most distinguished architects and community planners.

The movement toward better housing is closely allied with the social-security

program of this Republic. Chile has been known internationally as a leader in the social-security movement from as far back as 1925 when the Government began pioneering in this field and set up the first social-security program in the Western Hemisphere.

This justly famed social-security system, administered by the Caja de Seguro Obligatorio de Enfermedad, Invalides y Velez, established in 1925, has been expanded in scope several times since then.

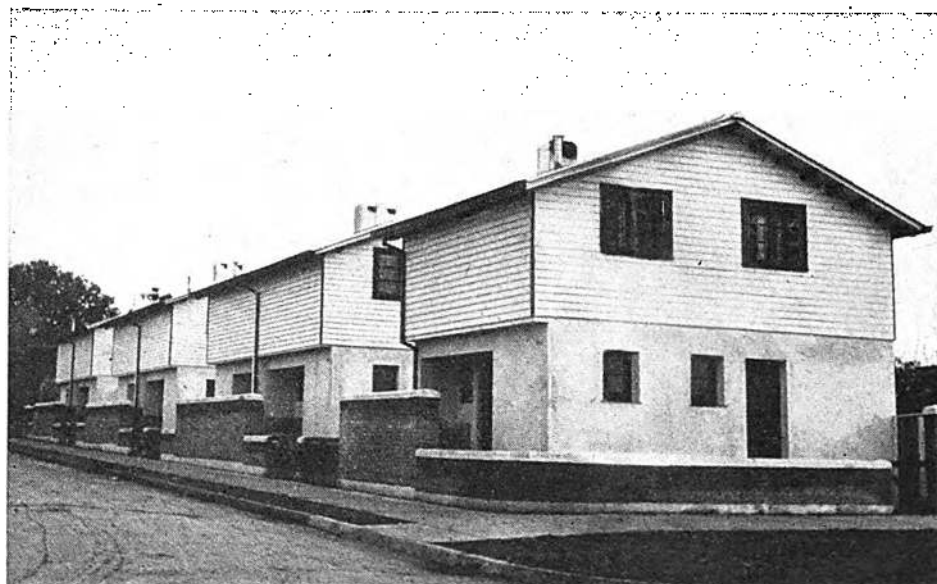
The C. S. O. is primarily a health service to the workers, that is the manual laborers of the Republic, whose own contributions to this fund are supplemented by contributions both by the employer and by the Government.

Unemployment, for example, is taken care of by laws which require an employer to pay 1 month's severance pay for each year of employment.

The C. S. O., through compulsory insurance, provides protection against sickness, disability, and old age. Since 1933 there has been added an enlightened program of preventative as well as curative medical protection.

Workers are regularly examined in widely scattered local dispensaries, with particular attention to tuberculosis, syphilis, and cardiac-vascular diseases

(Continued on p. 28)



Courtesy Coordinator of Inter-American Affairs
Homes erected in Valdivia, Chile, by the Popular Housing Institute.

News by COUNTRIES

Argentina

Tariffs and Trade Controls

Woolen Textiles Require Export Permits.—Export permits are required for woolen textiles and all articles made from woolen textiles exported from Argentina, according to decree No. 1,753, of July 3, 1943. This decree restores woolen textiles to the list of materials under export-control restrictions, from which they had been removed in January. The reasons given for this new restriction are the difficulty in importing woolen textiles and the advisability of assuring the manufacturers of woolen textile articles an adequate supply of material at normal prices.

[For reports on previous restrictions on wool and woolen materials, see FOREIGN COMMERCE WEEKLY for December 19, 1942, and January 2, 1943.]

Rayon: Exportation of Manufactured Articles Liberalized.—Argentine resolution No. 697, of June 18, 1943, modified a former resolution of the Ministry of Agriculture, which prohibited the exportation of articles containing rayon, to the extent of allowing exporters to fill contracts made prior to May 7, 1943, the date of the earlier resolution. The present resolution was issued when it became evident that contracts made prior to May 7 would not affect the supply of rayon for the domestic market. The resolution now permits exportation of articles containing up to 50 percent of rayon on the old contracts. It also permits the exportation of articles containing more than 50 percent of rayon to fulfill old contracts when the parts containing rayon are hat linings, hat bands, linings of ready-made articles in general, linings of pocketbooks, and ribbons for shoes.

Resolution No. 2,135, of July 27, 1943, further modifies the controls on the exportation of manufactured articles containing rayon. This resolution states that the Committee of Exportation and of Industrial and Commercial Development may issue export permits for manufactured articles in the making of which natural silk or rayon are used in minimum proportion provided the parts containing silk or rayon "are of an accessory nature and form an integral and indivisible part of the principal article."

This measure was taken because the Committee felt that there was some justification for the complaints of manufacturers of hats and handbags, who contended that the small saving of rayon to the nation from the export prohibition was not justified by the sharp reduction in the exports of such articles as hats and handbags, both made almost entirely of national raw materials, because such articles could not be sold abroad without

attractive linings, bands, or similar accessories.

[For report of first export restrictions on silk and rayon, see FOREIGN COMMERCE WEEKLY of June 19, 1943.]

Exceptions to Export Prohibition on Horses, Mules, and Asses.—Horses used for breeding purposes and pedigree asses are excepted from the Argentine prohibition against the exportation of horses, mules, and asses by the terms of decree No. 145,596, of March 22, 1943.

[For announcement of the prohibition against such exportation, see FOREIGN COMMERCE WEEKLY of May 8, 1943.]

Export of Restricted Foodstuffs for Family Consumption Permitted.—Small shipments of food products whose exportation from Argentina is prohibited or subject to export permit may be authorized by the Committee of Exportation and of Industrial and Commercial Development under the terms of decree No. 145,389, issued March 18, 1943. Such shipments may be made in small quantities to friends of persons living in Argentina for family consumption, provided that such shipments do not threaten the needs of the domestic market.

Unconditional and Unlimited Most-Favored-Nation Commercial Treaty Signed with Ecuador.—An unconditional and unlimited most-favored-nation commercial treaty was signed at

Buenos Aires by Argentina and Ecuador on September 1, 1943.

Both countries grant to each other unconditional and unlimited most-favored-nation treatment in all matters pertaining to duties, taxes, customs formalities, and charges, with the exception of preferential tariffs or special advantages accorded by either country to contiguous countries, and advantages which may result from a customs union. Import or export prohibitions or restrictions established by either country, and consular or sanitary regulations creating obstacles to commercial interchange between the two countries are not to apply to goods coming from or destined to the other unless similar products of any other country are also affected thereby. Exception from this clause is made, however, for measures taken for public safety; traffic in arms, munitions and war material; the protection of public health, and the protection of animals and plants against illness, insects, or harmful parasites; the defense of the national patrimony, whether artistic, historical, or archaeological; and the removal from the country of gold and silver, in money or specie.

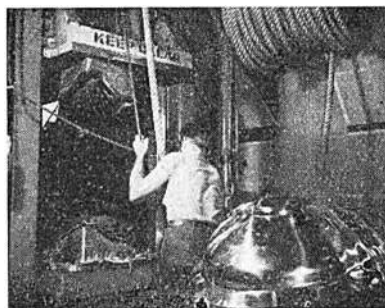
Merchandise or native products originating in one country and in transit through the other will enjoy most-favored-nation treatment and will not be subject to transit duty, whether traveling directly, transshipped, or unloaded, stored, and reloaded during transit. These exemptions will not apply, however, to actual expenses inherent in transit shipments, such as storage, loading, railroad or river freight charges, and statistical and similar fees, but such charges shall be no higher than those assessed upon the products of any third country.

In order to verify the origin of imported merchandise, either country may require that the goods of the other be accompanied by a certificate of origin visaed by the authorities designated by the importing country. These certificates shall be visaed without charge.

With reference to exchange, both countries agree that if exchange control is maintained or established, the nationals and commerce of the other country will be granted general and complete most-favored-nation treatment. In case either country regulates the importation of merchandise by licenses, quotas, or other limitations it will accord the most equitable and favorable treatment possible to the products of the other country, taking into account commercial interchange between the two countries in a representative preceding period, and the fact that the present treaty aspires to increase this interchange.

The treaty also provides for most-favored-nation treatment for the nationals of each country in the territory

The Cover Picture



Weapons That Win

Our "cover scene" this week represents just one of the innumerable aspects of America's present girding for the knock-out blow to the remaining shreds of Axis hopes.

Thousands of sheet-metal plane parts like those shown here are formed daily in the drop-hammer department of North American Aviation, Inc., at Inglewood, Calif. Hemp rope and the rubber in the mold on the press are used to snub and control the impact of the hammer.

of the other, with regard to passage through the country, sojourn, the establishment and exercise of commerce and of industry, and of the profession of commercial agent or traveling salesman. Commercial, industrial, and financial entities, insurance companies, navigation companies, cooperatives, and other organizations of an economic character of each of the two countries, that are legally constituted in the territory of the other, shall enjoy most-favored-nation treatment, subject to the laws, regulations and ordinances of the country.

One article of the treaty allows either country to terminate the treaty with 30 days notice, in case it has not been possible to reach an agreement within 2 months, on a controversy regarding the application of the treaty, about which representations have been made. All differences relative to the interpretation or execution of the treaty shall be decided by pacific means accepted in international law.

The treaty is subject to ratification by the two Governments and will come into force 30 days after the exchange of ratifications, which will take place at Quito as soon as possible. It will remain in effect indefinitely but may be terminated by either country, 6 months after denunciation.

Australia

Tariffs and Trade Controls

Sales Tax Applied to Certain Newsprint and Reduced on Rationed Wearing Apparel.—Newsprint used in Australia for purposes other than printing newspapers was made subject to a sales tax at the rate of 12½ percent of the value, effective July 6, 1943, and the rate of the Australian sales tax on rationed wearing apparel, including footwear, was reduced from 12½ percent to 7½ percent of the value, effective July 21, 1943, according to customs circulars issued at Sydney on July 6 and 30, 1943, respectively.

Newsprint for printing newspapers remains exempt from sales tax. Sales taxes in Australia apply on both imported and domestic goods.

Belgium

Tariffs and Trade Controls

Amylic and Similar Alcohols: Import License Required.—The importation into Belgium of chemically pure amylic, butylic, and propylic alcohols, and the like, was made subject to license issued by the Central Bureau of Quotas and Licenses, by an order of December 3, 1942, published in the *Moniteur Belge* (Brussels) and effective on December 5.

Trade Groups Created or Reorganized.—Trade groups for the industry and trade in a number of products have been created or reorganized in Belgium (under the order of February 10, 1941, concerning organization of economy), by orders issued and published in the *Moni-*

teur Belge during the period August to December 1942 (information just received).

The trade groups or guilds affected control the following industries and trades: Textile products and shoes; interior navigation; tobacco; clothing; cycles and accessories; publicity and business agencies and the like; flax fibers; smokers' articles; paper and cardboard; insurance; leather; fur skins and rabbit skins; electric and radio apparatus; precious metals; photographic apparatus and articles; optical goods; construction; ship building and repairing; waste and salvage materials; glass and ceramics; coach-building; engraving; and collection and information officers.

Margarine: Minimum Fat Content Fixed.—The manufacture or sale in Belgium of margarine containing less than 70 percent of the fat was prohibited, effective December 21, 1942, by an order of December 14, published in the *Moniteur Belge* (Brussels) of December 19.

Coal for Glass Industries: Price-Equalization Office and Taxes Established.—An office for the equalization of the purchase prices of Lorraine and Belgian coals for use in the glass industry, with special equalizing taxes on tonnages received, was established in Belgium by orders of November 12 and December 17, 1942, published in the *Moniteur Belge* (Brussels) of November 21 and December 29, respectively, and effective retroactively from August 1, 1942.

Brazil

Tariffs and Trade Controls

Commercial Treaty Providing Reciprocal Duty Concessions Signed With Paraguay.—An unconditional and unlimited most-favored-nation treaty of commerce and navigation between Brazil and Paraguay providing for reciprocal import-duty concessions and embodying clauses relating to the protection of industrial property, was signed at Rio de Janeiro on May 10, 1943, according to reports published in the Brazilian press of May 11, 1943. Exception to the most-favored-nation clause is made, however, by Brazil, for duties, favors, or privileges granted exclusively to countries of the Amazon Basin and by Paraguay to countries of the River Plate Basin. Both countries also make reservations from the most-favored-nation clause for duties, favors, or privileges already granted or which may in the future be granted to neighboring countries to facilitate frontier traffic, as well as for facilities which may result from a customs union of which either of the contracting countries may form part.

Under the treaty, Brazil grants Paraguay duty-free entry for nanduti lace and a reduction from 788.37 cruzeiros to 220.00 cruzeiros per metric ton in the import duty on quebracho tanning extract.

In return, Paraguay grants Brazil duty-free entry for cocoa, books (for-

Pertinent Comments on World Economy Today

(Being one of a series of excerpts from books, pamphlets, and speeches)

No "Piecemeal Solution" for Vast Rehabilitation Problem

Food-condition statistics in the area of Axis occupation are treacherous. But official reports from Europe and Asia leave no doubt that hunger is the general rule, that starvation is commonplace, and that the area enslaved by the Axis is a breeding place for all the diseases of the body and of the spirit that are born of starvation, suffering, and death.

Agricultural production in Europe has dropped substantially despite the desperate efforts of Germany to make Axis-dominated Europe self-supporting. As the months roll on, the manpower shortage, the wastage and deterioration of machinery, the neglect of the soil, and the increasing disorganization of the economy will cut even deeper into total food production.

The once matchless flocks and herds of Europe have declined to figures in some cases a third below pre-war levels. Horses are disappearing at a rate that indicates that a shortage of draft animals may be a problem even more acute than the shortage of manpower in the first harvest of peace. The occupied nations have been systematically drained of their resources, raw materials, and commercial goods to serve a vicious new order. Never before has the world witnessed so ruthless a despoliation of so many in so short a time.

A problem so vast and so world-embracing, obviously, does not lend itself to piecemeal solution. The problem is to devise means to harness world production, already greatly taxed by war needs, to *total world want* during the coming months of tremendous human crises. We must see to it that relief flows smoothly and swiftly into measures to remove the need of relief, and that rehabilitation measures are so devised as to enable the suffering nations to begin their own reconstruction at the earliest possible moment. Our objective is to help people to help themselves and thereby to help ourselves, by making possible a world in which the Four Freedoms can have a chance of realization.

We have already made important strides toward meeting these complex problems.

(From a recent address by Herbert H. Lehman, Director of Foreign Relief and Rehabilitation Operations.)

German Production Disorganized?

Belgian workers deported to Germany, who have succeeded in re-entering occupied Belgium, say that the German population is terrorized by the air raids, especially in the Rhineland.

Germans, it is said, are often heard to sum up their thoughts on the war in the following words: "It would be better to see the English in our streets than have them over our heads."

One factory at Dortmund, producing formerly four or five tanks a day, was turning out (it is claimed) only one tank a week toward the end of June. Disorganization of transport and destruction of numerous industrial centers have paralyzed the workshops where aircraft, heavy motor vehicles, and tanks were being assembled.

The German people allegedly detest foreign workers, whether volunteers or deportees, because their labor enables the Nazis to dispatch German workmen to the front.

merly duty-free), paper, serums and vaccines (formerly duty-free), sweets, jellies, and similar commodities, and a reduction of the import duty on coffee from 0.15 to 0.135 gold peso (exclusive of surtax) per gross kilogram.

Most-favored-nation treatment is provided for nationals of either country doing business in the other country, and in matters of exchange in connection with imports and exports.

The contracting countries agree not to create nor to increase duties, taxes, and charges on, and not to establish prohibitions or restrictions against imports or exports of, any natural or manufactured product of the other, and not to take any measures, consular or sanitary, which might hinder commercial interchange between the two countries, unless such measures are applied equally to the same products imported from or destined to any other country. Exception from this clause is made, however, for measures taken for reasons of public security, traffic in war material, protection of life and public health and control of plant and animal disease, the defense of national wealth whether it be of an artistic, historical, or archeological nature, the removal from the country of gold and silver, coined or in specie, and fiscal or police measures taken to extend to imported products a regime imposed within the country on similar domestic products.

The treaty also provides for free transit in the territory of each country of persons, goods, and merchandise coming from or destined to the other country, under such conditions as may be established, and national treatment for merchant ships of both countries in waters under the sovereignty of either country,

particularly in operations of loading and unloading passengers and cargo, access to and utilization of the ports, and use of the installations which the ports offer to navigation.

Article 14 of the treaty contains provisions referring to the protection of industrial trade-marks and patents.

Another article provides for the establishment of permanent mixed commissions in Rio de Janeiro and in Asuncion, made up of delegates of the two Governments, to foster commercial interchange and the operation of the agreement. They will assist in the solution of questions or differences which may arise in the interpretation or in the application of the treaty, and suggest measures or modifications which might promote or develop commercial interchange and navigation facilities between the two countries. In the event that a controversy arises concerning the application or interpretation of the treaty which cannot be settled through diplomatic channels, the two Governments agree not to apply measures prejudicial to commercial interchange and navigation before studying the views and suggestions of the mixed commissions regarding the controversy.

In the interest of developing commercial interchange, both Governments agree to hold periodical expositions to be organized in the territory of the other, so that its natural and manufactured products can be sold at retail or merely presented as a demonstration of quality and prices.

In another article the contracting countries agree to facilitate the interchange of pharmaceutical products, perfumery, and toilet preparations by studying means to ease the registration requirements of the respective agencies handling these matters.

In article 18 of the treaty both Governments agree to study and to conclude as soon as possible two agreements, one to concern the settlement of commercial interchange balances, and the other to deal with commercial payments.

[The United States is on an unconditional most-favored-nation basis with Brazil and on a conditional most-favored-nation basis with Paraguay.]

Butter: Import Duties Suspended for 6 Months.—The Brazilian Government suspended the collection of import duties and customs taxes on butter for a period of 6 months, by decree No. 5719, of August 3, published in the *Diario Oficial* of August 5, 1943, and effective from the date of publication.

Salt: Import Duty Suspended for 6 Months.—The collection of import duties and customs taxes on sodium chloride was suspended for a period of 6 months by decree No. 5626 of June 28, published in the *Brazilian Diario Oficial* of June 30, 1943, and effective from the date of publication.

Port Charges at Niteroi Revised.—Port charges, covering port use, grapppling fees, handling charges, internal and external warehousing, transportation charges, fees for use of port machinery, water supply, accessory service, and the movement of merchandise at the port of Niteroi, Brazil, were revised by an order

(No. 6), dated January 6, 1943, of the Ministry of Highways and Public Works, promulgated in the *Diario Oficial* of January 9, 1943, Rio de Janeiro.

Transport and Communication

Increase in Number of Telephones.—The Brazilian Telephone Co. reported an increase in the number of telephones in use from 244,993 in 1941 to 261,549 in 1942.

Although some improvements were made during the year, activities of the company were considerably restricted because of difficulties in obtaining new equipment and materials, the foreign press says. Some equipment for Rio de Janeiro and Sao Paulo was received late in the year, however, and automatic equipment for the city of Petropolis also was delivered.

British Honduras

Tariffs and Trade Controls

Import-Duty Surtaxes on Tobacco and Tobacco Products Increased.—The duty surtaxes in British Honduras on tobacco, except black leaf, and tobacco products, have been increased for the duration of the war and for a period of 6 months thereafter, by a resolution of the Legislative Council, dated and effective July 27, 1943.

As a result of the increased surtaxes, the import duties including surtaxes on tobacco and tobacco products are as follows, with former rates in parentheses: Unmanufactured leaf tobacco, other than black leaf, per pound, \$1.25 (\$1) general tariff, \$0.85 (\$0.60) British preferential; cigars and cigarillos, per pound, \$1.60 (\$1) general tariff, \$1.20 (\$0.75) British preferential; cigarettes, per pound \$3.50 (\$3) general tariff, \$3 (\$2.50) British preferential; snuff, per pound, \$1.50 (\$1.25) general tariff, \$0.75 (\$0.625) British preferential; other manufactured tobacco, per pound, \$2.50 (\$1.875) general tariff, \$1.75 (\$0.9375) British preferential.

Chile

Transport and Communication

Increased Use of Bicycles.—Bicycles are being utilized in Chile as an answer to fuel and tire shortages for automobiles and trucks. Some 15,000 bicycles, it is estimated by a foreign transport journal, are in use in Santiago, Chile, alone.

Costa Rica

Tariffs and Trade Controls

Period of Free Storage Temporarily Reduced.—Free storage in the customs warehouses of Costa Rica for a wide variety of articles has been reduced from 30 days to 10 working days, by a Costa Rican decree published August 24 and effective September 1, 1943. The law will remain in effect as long as the present warehouse congestion continues.

Among the articles affected are grains and most foodstuffs, cotton textiles, various drugs and toilet articles and preparations, agricultural tools and implements and those for use in the arts and trades, articles of china, glass, and earthenware, articles of iron and other metals for domestic use, and material for the national industries.

Cuba

Tariffs and Trade Controls

Poultry for Breeding: Regulations Affecting Importation Amended.—The Cuban customs provisions regulating the importation of poultry for breeding purposes have been amended to permit the duty-free importation during a 2-year period of specified breeds of poultry, according to a decree of the Ministry of Agriculture published in the *Gaceta Oficial* of August 26, 1943. The types of poultry which may be entered duty free in the 2-year period beginning August 26, 1943, are as follows:

Plymouth Rocks; Wyandottes; Javas; Dominicas; Rhode Island Reds; Chanteclers; Jersey Black Giants; Lamonas; New Hampshires; Leghorns; Minorcas; Castellanas Negras; Andaluzas Azules; Anconas; Catalanas del Prat; Brahmas; Conchinchinas; Langhans; Dorkings; Redcaps; Orpingtons; Cornish; Sussex; Australorps; Polacas; Hamburguesas; Sumatras and Malays; Patos; Pekin; Aylesbury; Rouen; Cayuga; Call; East India; Muscovy; Swedish; Buff; Crested Indian Runner; Gansos; Ocas de Tolosa; Emden; Africanos; Chinos; Canada; Egipcios; Sebastopol y Pilgrin; Pavos; Bronceados, Narragansett; Holandeses; Blanck; and Slate y Borbones Rojos.

Previously, since neither the types of poultry which could benefit from the duty-free customs provision nor the period during which duty-free importations could be made were specified, it was difficult to determine in advance of customs clearance whether or not various types of poultry could be entered duty-free.

Tallow-Purchasing Commission Established.—A national commission for the purchase and supply of tallow for the soap industry of Cuba was established by resolution No. 136 of the Cuban Office for Regulation of Price and Supplies (ORPA), published in the *Official Gazette* of August 31, 1943.

The purpose of the decree is to establish a single buyer in Cuba for imported inedible tallow to relieve difficulties which have arisen in import and domestic allocation of scarce supplies.

Dominican Republic

Tariffs and Trade Controls

Import-Tax Rate on Turpentine Increased.—The Dominican Republic import-tax rate on turpentine has been increased from \$0.05 per gross kilogram

to \$0.10, according to law No. 365, published in the *Gaceta Oficial* of August 18, 1943.

(In addition to the above import tax, an import duty of \$0.05 per gross kilogram also applies.)

France

Tariffs and Trade Controls

Hides and Leather: Special Sales Taxes Increased.—The special proportional sales tax of 0.40 percent on hides, skins, and leather, collected in France for the benefit of the General Organization Committee for the Leather Industries, and the fixed annual taxes for certain types of artisans and manufacturers have been increased by 40 percent, by an order of April 15, 1943, published in the *Journal Officiel* (Vichy) on April 17.

This increase is for the benefit of the Central Distribution Bureau of Industrial Products.

Cider, Cider Brandy, and Concentrated Apple Juice: Special Sales Taxes Fixed.—Special annual sales taxes have been fixed in France, to cover the administrative expenses of the Organization Committee of the Industry of Ciders, Cider Brandy, and Concentrated Apple Juices, effective retroactively from September 1, 1941, by an order of April 2, 1943, published in the *Journal Officiel* of April 15.

These taxes are as follows, in francs per hectoliter, on quantities sold for consumption: Cider, perry, apple or pear beverages, 1; brandy from cider or perry, expressed in pure alcohol, 10; and concentrated apple juices, 5.

Oil Palm Products: African Trade Bureau Created.—An African Trade Bureau for Oil Palms has been created in France, with its seat at Paris, by an order of March 25, 1943, published in the *Journal Officiel* (Vichy) on April 16.

This bureau, which operates in connection with the Colonial Trade Groups, is to coordinate all the trade activities relating to the production, treatment and sale of products of oil palms.

French Cameroun

Tariffs and Trade Controls

Special "Warehouse" Tax on Imports Again Increased.—The special "warehouse" tax on all merchandise imported into French Cameroun at the port of Douala has been increased from 8.50 francs to 17.50 francs per ton, effective July 1, 1943, by an order of May 5, published in the *Journal Officiel* of May 15, 1943.

[See FOREIGN COMMERCE WEEKLY of September 12, 1942, for announcement of a previous increase in this tax.]

Invest in a
FREE FUTURE
Buy War Bonds

French Equatorial Africa

Tariffs and Trade Controls

Wood Industry and Trade of Gabon Controlled by Government General of French Equatorial Africa.—Effective from July 1, 1943, until the legal cessation of hostilities, the exploitation of, and foreign trade in, woods of Gabon have been placed under the control of the Government General of French Equatorial Africa, by decree No. 1071 of May 29, 1943, published in the *Journal Officiel* of French Equatorial Africa on June 15.

This control is to be exercised by the Administration of the colony with the assistance of the Forestry Syndicate of Gabon.

French North Africa

Tariffs and Trade Controls

Dried Haricot Beans: Purchase of 1943 Crop Reserved to Service of Supplies in Morocco.—The Service of Supplies in the French Zone of Morocco is to be the sole purchaser of dried white haricot beans of the 1943 crop, by an order of June 1, 1943, published in the *Bulletin Officiel* of June 4.

French Somaliland

Tariffs and Trade Controls

Pharmaceutical Regulations Revised.—Regulations governing the sale of pharmaceutical products, medicines, serums,

Argentine Merchant Marine Gets More Ships

The State Merchant Marine Fleet of Argentina has been augmented by the addition of three vessels. The three French vessels that have been tied up in the Buenos Aires harbor since the beginning of the war are being refurnished locally.

The vessels are the *Campana*, of 10,816 gross tons, constructed in 1918; the *Formosa*, 9,975 gross tons, built in 1921; and the *Katiola*, 3,891 gross tons, constructed in 1935.

A tanker, the *Teresa Otero*, 8,196 gross tons, built in 1927 at Genoa, Italy, was purchased recently by the *Compañia Argentina de Navegación Dodero* and towed to Buenos Aires, where it is being repaired.

vaccines, and similar items in French Somaliland have been revised by decree No. 923 of April 17, 1943, published in the *Journal Officiel de La France Combattante* (London) of May 3.

Greece

Tariffs and Trade Controls

Consumption Tax on Luxury Articles Increased.—The consumption tax on various classes of goods characterized as luxury goods sold in Greece has been increased from 10 percent to 15 percent of the sale price, payable by means of a fiscal stamp, according to a report in the *Swiss press* of August 31, 1943.

This tax applies to both imported and domestic goods.

[See COMMERCE REPORTS of December 9, 1939, for announcement of the imposition of this tax.]

Haiti

Tariffs and Trade Controls

Rice: Exportation Prohibited Until Further Notice.—The exportation of rice from Haiti has been prohibited until further notice, according to a communiqué of September 2, 1943 of the Haitian Departments of Agriculture and Labor and of Commerce and National Economy, published in the *Official Journal* of September 6, 1943. The purpose of the measure is to conserve supplies for local consumption.

India

Exchange and Finance

Provincial Budget Estimates for 1943-44.—Early reports on the 1943-44 Indian provincial budgets indicate that 6 of the 11 provinces show a surplus, and 2 of the remaining 5 show only small deficits.

In general, increased revenues were derived from income taxes, excise, and forests in 1942-43. Some provinces were even able to set aside sums for post-war reconstruction and special welfare funds. Existing scales of taxation will continue in 1943-44, although two provinces are adding taxes on entertainment and electricity. At least one province will have to borrow.

New Reserve-Bank Governor.—The Reserve Bank of India is now under the direction of its first Indian Governor, Mr. C. D. Deshmukh, who as Deputy Governor since 1941 has succeeded Sir James Taylor, who died in February. As the Reserve Bank is largely responsible for India's financial policy, the appointment of an Indian at this time is of special significance.

Mr. Deshmukh has been with the Indian Civil Service since 1919. He was Joint Secretary to the Second Round-Table Conference in London in 1931, held the position of Revenue Secretary to the Government of the Central Provinces in 1932, and became its Financial Secretary in 1933. Five years later he undertook special duty with the Finance

Department of the Government of India, from which position he advanced to become Deputy Governor of the Reserve Bank in 1941.

Iraq

Exchange and Finance

External Loan to be Redeemed.—The Kingdom of Iraq 4½-percent £1,000,000 loan issued in London in 1937 was to have been redeemed on July 5, 1943, according to a notice in the *Iraq Gazette* of May 23. The loan was issued at 94 and was callable at 102. Recent London quotations have been at about par.

This was the only publicity issued external loan, but it is believed credits were opened in 1941 and 1942 in London for the purchase of military supplies, and loans have been advanced by the oil companies repayable out of excess royalties, the latest, of £1,000,000, having been advanced June 1.

Mexico

Tariffs and Trade Controls

Export Duty Imposed on Sansevieria and Henequen Fiber.—Sansevieria and henequen fiber of all kinds have been made subject to export duty in Mexico at 0.01 peso per gross kilogram and 0.50 peso per 100 gross kilograms, respectively, by an Executive decree, published September 9, 1943, and effective 30 days thereafter. Sansevieria was formerly not specified in the Mexican export tariff, and henequen fiber was exempt from the payment of export duty.

Colombia Limits Free Railway Rides

In the Republic of Colombia a recent Executive Order has canceled passes and free freight privileges on the State Railways, says a statement in the newspaper *El Siglo*, of Bogota.

From now on, only these persons may ride free: The President of the Republic, the Ministers (Cabinet members) of the Republic, members of the National Congress, Governors of the Departments (States), the archbishops and bishops of the Catholic Church, railway employees, prisoners, members of the Army and the national police in the course of their duty, and members of charitable organizations who previously enjoyed the privilege.

Free freight will be carried only for charitable organizations that previously had this privilege.

With these new regulations in force, says the article cited, it is hoped that Colombia's State Railways will be able to balance their budgets in the coming year.

Supplementary Production Tax Established on Gold.—A supplementary tax on the production of gold in Mexico has been established by an executive decree, published and effective September 9, 1943. The rates, applied to the value of the gold, are as follows: Gold, in natural state, 7.357 percent ad valorem; in concentrates, 8.205 percent; in precipitates, or in impure or mixed bars, 9.057 percent; and refined gold, 9.098 percent.

This new tax is collected in addition to the regular production tax, the rates of which are subject to change monthly. Mining cooperatives, which are exempt from the payment of the regular production tax, must pay this supplementary tax.

While this tax is in effect, gold will not be subject to the export tax of 12 percent of a fixed official valuation.

New Zealand

Transport and Communication

Railways Establish All-Time Record.—An all-time record has been made by the New Zealand railways. Net revenue for the fiscal year ended March 31, 1943, was £NZ 2,826,580, gross revenue amounted to £NZ 14,128,993, and expenditures were £NZ 11,302,413.

Passengers carried by the railways totaled 36,133,268 and freight handled totaled 8,887,089 long tons. There is an acute shortage of freight cars.

Nigeria

Tariffs and Trade Controls

Exports of African Antiques Prohibited.—Exportation of African antiquities or works of art produced before 1918 are forbidden without express written permission from the Governor, according to the *Nigeria Gazette* of September 2.

Palestine

Economic Conditions

EMPLOYMENT OF WOMEN AND CHILDREN TO BE REGULATED

Draft ordinances regulating the employment of children and young persons and of women, which are to be promulgated in Palestine, were published in the *Palestine Gazette* of September 9. The ordinances have been modeled after legislation in effect in England and embody the principles of international labor conventions adapted to the conditions of Palestine. Existing regulations are to be repealed.

The ordinance relating to children and young persons authorizes the High Commissioner in Council to promulgate rules defining dangerous trades and prescribing conditions under which children or young persons may be employed in particular undertakings. Industrial undertakings covered include manufacturing, shipbuilding, public utilities, building or repairing, and mining or archeological

excavation. Commercial and trading establishments, newspaper publishing, hospitals, places of entertainment and governmental establishments are also covered. Farms, family or household establishments, and domestic service are excluded. A child is defined as a person under 16 years and a young person as a person under 18 years of age.

Elaborate rules are to be promulgated at the same time as the ordinance. Employment of children under 12 is prohibited. Employment of children and young persons is prohibited in a large number of industries and processes considered dangerous because of the heavy work, risk of accident, or use of poisonous materials. A very few of the less-dangerous occupations prohibited for children are open to young persons; in certain occupations young persons may be employed under conditions to be prescribed by the Director of the Department of Labor; employment of females is prohibited in certain occupations open to males. Hours of work in allowable undertakings are limited; rest periods are provided and unless the person has completed 7 years of education, hours are still further restricted to permit continued schooling. Night work is prohibited with certain exceptions which may be licensed.

The ordinance relating to women provides for the same coverage and exclusions with similar though somewhat more liberal restrictions on employment in dangerous occupations, night work, and hours of work. Special provisions apply to prenatal and postnatal employment, including the payment of compensation as provided under the Workmen's Compensation Ordinance for temporary total incapacity.

The Department of Labor is to administer the ordinance and to make inspections. Fines of parents and employers are provided for offenses.

Panama

Transport and Communication

Highway Developments.—Official terminals at both Panama City and Colon, Panama, have been established to care for the augmented bus and taxi travel between these two cities on the new Boyd-Roosevelt highway.

Work on the highway from David to El Volcan, Panama, is proceeding satisfactorily, and the road may be opened to traffic early next year.

Peru

Wartime Commodity Controls

Price Control Restrictions Established.—All imported and domestic commodities sold in Peru are subject to price-control restrictions established by a Peruvian decree dated August 27, 1943. By the terms of this measure, maximum ceiling prices, based on the prices charged between April 1 and April 30, 1943, have been established on all commodities. The Price Control Office is authorized to limit the profits of merchants

Belgian Congo's All-Out War Production

The policy of all-out production has become more and more a part of the economic life of the Congo, says a statement by an agency of the Belgian Government in Exile. Production for the war, increased production, are demands which have reportedly found a response even in the most remote corners of this immense African empire.

Results of this all-out effort are, it is said, particularly outstanding in the Kivu and Maniema districts of Costermansville Province, on the eastern border of the Belgian Congo. Work in agriculture, as well as in the important timber and mining industry, has been stepped up. In the latter field, gold and cassiterite are the two major ores mined, and as the importance of cassiterite (a tin-bearing ore) has increased with the advent of war, so has its production increased, with a resultant drop in the production of gold. Despite a shortage of tools and manpower, cassiterite mining has reached the high production level set by the government.

In Maniema, say reports, the lumber industry is working overtime. A test of this industry's willingness to sacrifice for the war effort was made in May 1942, when the Congo government launched an appeal for materials for railway ties, which were needed to build railroads near the battlefronts in the Near East. The response was immediate. Shortages in manpower, specialists, tools, food, and trucks were overcome, say the Belgians, and not only were the increased demands from Congolese and Rhodesian industries fulfilled, but the production of railroad ties was begun and continued with such vigor that before long the necessary amount of Maniema timber stood in imposing piles in the foreign ports where it was needed.

This example of vigorous production for the war effort has also been equaled in other fields. Cinchona bark production has reportedly increased by 150 percent and pyrethrum has increased by 41 percent.

or industrialists to reasonable proportions on goods whose prices are deemed to have been unjustifiably increased, and to regulate the price of imported articles at the time of customs clearance, prior to their delivery for sale to the public.

All merchants must prepare and display price lists and must keep cost books covering manufacturing or acquisition costs. Provision is also made for the elimination of unnecessary intermediaries between producers or importers and consumers.

Spain

Tariffs and Trade Controls

Import Duties on Certain Products Conditionally Reduced.—The Spanish import duties on chickpeas, French beans, lentils, and sugar, when imported by the General Commissariat of Supplies for consumption in Spain, were temporarily reduced by a decree published in the Official Bulletin of April 15, 1943, and effective retroactively to January 1, 1943.

The temporarily reduced rates of duty in gold pesetas per 100 kilograms (former rates in parentheses), are as follows: Chickpeas, 1 (6.60); French means, 4 (13.20); lentils, 3 (6.05); and sugar, 4.20 (6).

These reductions are established in accordance with the authority of the law of December 12, 1942, regulating the granting of reductions in or exemptions from import duties.

Imports effected by all agencies or firms other than the General Commissariat of Supplies (Comisaria General de Abastecimientos) remain subject to the regular rates of duty.

[See FOREIGN COMMERCE WEEKLY of October 2, 1943, for announcement of the law of December 12, 1942, referred to above.]

Switzerland

Transport and Communication

Shortage of Rolling Stock.—A shortage of rolling stock for the railways of Switzerland has materially affected the trade and industry of that country, as it has other nations of the world. The causes for the shortage may be traced to the increased service demand as a result of the suspension of automobile traffic caused by fuel and tire shortages, and to increased national and military requirements. In 1939, military traffic totaled 460,701 tons and increased to 1,302,107 tons in 1940. Despite the unsatisfactory quantity of equipment, the Swiss Federal Railways have met all essential requirements.

The following table shows the available freight cars in representative years and metric tons handled:

Year	Available freight cars of Federal Railways		Total freight traffic
	Number	Metric tons	
1913.....	14,681	14,614,781	
1919	18,302	13,602,615	
1938.....	15,874	13,808,304	
1941.....	17,447	23,313,254	

The average quantity of freight carried annually by one car ranged from a low of 743 metric tons in 1919 to a high of 1,336 metric tons in 1941.

Approximately 500 cars are withdrawn from service daily for inspection and repair.

Tanganyika

Exchange and Finance

Fiscal Year 1942 Results in Surplus.—Tanganyika concluded the fiscal year 1942 with a surplus of nearly £15,000. Both revenue and expenditure far exceeded budget estimates, actual revenue for the year being £3,147,000 and expenditures £3,132,000.

Revenue derived from licenses and taxes totaled £1,305,000, or more than 40 percent of the total, while customs receipts declined slightly—to £770,000. Fees of court or office and reimbursements increased over 160 percent—to £586,000. Railway revenue declined 83 percent—to only £17,000. Only £949 was received in grants from imperial funds compared with more than £10,000 received under this head in 1941.

Expenditure increased nearly 23 percent compared with the previous year, principally because of the £316,714 spent for evacuees. Only £46,988 was expended under this head in 1941. Other large expense items were medical (£240,913), provincial administration (£196,954), pensions (£189,621) and debt charges (£182,150). The sum of £100,000 was allocated to the reserve fund during the year.

United Kingdom

Exchange and Finance

National War Bonds.—An issue of new 1½-percent National War Bonds 1952-54 was offered by the British Treasury for

subscriptions on September 1, 1943. The new bonds are issued at par in multiples of £50, and have a maximum life of 10 year 6 months, compared with 10 years 3 months for the previous issue 1951-53. Interest will be payable half-yearly on March 1 and September 1.

Uruguay

Wartime Commodity Controls

Imported Potatoes: Maximum Sales Prices Announced.—Maximum sales prices within the Department of Montevideo for potatoes imported for consumption have been fixed at 8 pesos per 100 kilograms for sales from the Government to wholesalers or to Government institutions, at 9.20 pesos per 100 kilograms from wholesalers to retailers, and at 0.11 peso per kilogram from retailers to consumers, by a decree of August 31, 1943, published in the Uruguayan Diario Oficial of September 4.

Prices outside of the Department of Montevideo will be based on the above prices, plus cost of transportation.

Essential Metals: Declaration of Stocks Required.—A sworn statement from all establishments or individuals in Uruguay regarding any stocks they may hold, in their own right or for third parties, of pure copper in ingots, copper wire (3 millimeter), and zinc sheets and tin plate, giving details as to quality, amount, state of conservation, and the name of the proprietor or of the individual or firm for whom they are held, is required by a decree of September 3, 1943, published in the Uruguayan Diario Oficial of September 8.

New Council of Legislation for "Fighting French" Territories

A Superior Council of Legislation has been established in the territories under "Fighting French" control, replacing the former Consultative Committee on Legislation, by an ordinance of April 15, 1943, republished in the Bulletin Officiel of French Morocco on May 21.

This council must be consulted on all proposed ordinances, and may advise on questions of a general character, upon request.

[The former Consultative Committee on Legislation had been established by an ordinance of December 23, 1942.]

Veterinary Remedies: Declaration of Stocks Required.—A sworn statement of the quantity and quality of stocks of manufactured products or remedies intended for the cure or prevention of diseases and plagues which affect livestock and agriculture, as well as of stocks of the basic raw materials used in the preparation of such products, was required of all dealers or holders of such stocks in Uruguay within 5 days of the date of publication of an Executive decree on August 27, 1943.

All offices, industrial entities, and other organizations of the Uruguayan Government which may hold stocks of these products were likewise to make a declaration of them within the period and in the manner prescribed.

Kerosene: To Be Rationed on a Family Basis.—Kerosene is to be rationed on a family basis instead of an individual basis, and for this purpose a census of families will be taken throughout Uruguay, according to a decree of September 3, 1943, published in the Diario Oficial of September 8.

The ANCAP (National Administration of Fuel, Alcohol, and Portland Cement) will undertake the census for the Department of Montevideo, while the local municipalities, under instructions from the ANCAP, will conduct the census in the interior.

Tin Plate: Purchase Authorized.—The purchase by the Bank of the Republic of a maximum of 500 tons of tin plate, without the usual call for tenders, was authorized by a decree of August 26, 1943, published in the Uruguayan Diario Oficial of September 1.

Transport Agency Set Up for Inter-American Cooperation

The Institute of Inter-American Transportation has been organized as an operating agency of the Office of the Coordinator of Inter-American Affairs to serve as a medium of cooperation with the other American republics in transportation matters.

The transportation institute is set up along lines similar to those of the Institute of Inter-American Affairs (also an operating agency of the Office of the Coordinator of Inter-American Affairs), which serves as a corporate medium of collaboration between the United States Government and the other Americas in health, food, and emergency rehabilitation projects.

The president of the new Institute of Inter-American Transportation is Maj. Gen. Julian L. Schley, former chief of engineers of the United States Army and governor of the Panama Canal Zone. During an active career of nearly 40 years with the U. S. Army Engineers, he accumulated wide experience in public works and engineering problems, including river and harbor construction, flood control, and public utilities.

The chief immediate task of the institute is cooperation with Mexico in carrying out the program for rehabilitation of key Mexican rail lines, under an agreement concluded between the United States and Mexico last year (see feature article in FOREIGN COMMERCE WEEKLY for July 17, 1943). Roadbed, rails, and rolling stock are being improved to facilitate movement of strategic materials for United Nations war industry and overland communications from the United States through Mexico into Central America.

Mexico also is engaged in a large-scale highway development program, including construction to complete the links in the Pan American Highway system south of Mexico City to the Guatemalan border. In view of its importance to hemisphere defense and development, the Mexican transportation problem received particular attention from the Joint Mexican-United States Commission which considered questions of economic collaboration between the two Republics earlier this year.

Zanzibar

Economic Conditions

COMPULSORY PLANTING OF CASSAVA AND SWEETPOTATOES INTRODUCED

All males between 18 and 55 years of age who are not in full-time employment, have been ordered to plant, cultivate, and harvest cassava and sweetpotatoes on either an acre of their own land or land allotted to them by the Government, ac-

cording to the Zanzibar Official Gazette of May 29.

A subsequent order empowers the Cultivation Controller to requisition land for crop cultivation and authorizes the Agricultural Officer to requisition seed or other necessary planting material. Compulsory planting of other crops may be ordered later. Landowners are to receive due notice and compensation.

The area under food crops in Zanzibar is approximately 20,000 acres, in addition to land planted seasonally to rice, according to a recent report.

Exchange and Finance

Fiscal Year 1942 Results in Surplus.—A surplus of £65,338, instead of an expected deficit of £37,519, resulted from the operation of the fiscal year ended December 31, 1942, according to the Zanzibar Official Gazette of June 26. Actual revenue for the year was £549,103 and expenditure was £483,765.

Customs receipts of £278,277 provided over 50 percent of the revenue. Court fees and similar items (£91,795) and licenses (£49,885) were other important sources of income. Receipts from special revenue (£31,465) were more than double last year's comparable figure, while receipts from land sales (£994) declined sharply from the 1941 figure of £21,348.

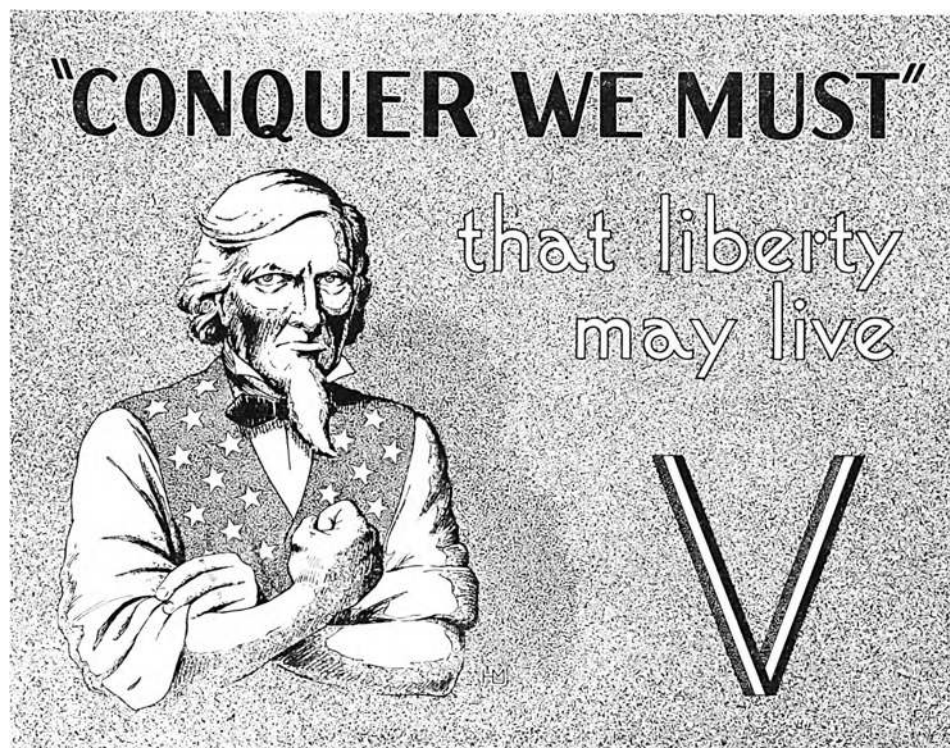
The largest item of expenditure was £66,865 under the head of customs, port, and marine, an increase of 68 percent over the amount expended in the preceding year. Expenditure on passive defense measures (£14,114) increased 195 percent over 1941. Loans from Protectorate funds decreased 56 percent—to £25,569. There were no public-debt charges for the fiscal year 1942, although in the preceding year the charges amounted to £10,056.

Revenue and expenditure for 1943 are estimated at £443,391 and £483,213, respectively. The decrease of £13,983 from the 1942 estimate is due to an expected decline in customs receipts, estimated at £226,550 for the current year.

British Plans for Post-War Full Employment

(Continued from p. 4)

under the imprint of Nuffield College and represents the outcome of a series of private conferences held under the auspices of the college. The actual drafting was carried out by a committee which included several of the better known British economists, including G. D. H. Cole, E. F. M. Durbin, and Mrs. Joan Robinson. The statement is in many respects similar to the Unilever and Economist plans, and joins with them in arguing the wisdom of public measures for steadying, and where desirable increasing, the rate of investment as well as for maintaining consumption. Similarly, the statement proposes a two-budget system like that of the Unilever plan, a priorities plan for investments under which projects may



be advanced or retarded so as to fit in with the policy of full employment, and the use of indirect controls in influencing the course of capital expenditure.

It is evident that the Nuffield statement has in mind ensuring the proper balance between savings and investment on three levels: that is, by direct State investment through a National Development Board, by State guidance of private investment through the various indirect controls, and by State assistance to private businesses.

As one method of stabilizing investment the statement suggests the application of the public-corporation principle—that is, public ownership—to certain basic industries which are large consumers of capital, particularly the transport services and public utilities. Another group of key industries would be brought under the control of Public Industrial Boards which would be responsible, in consultation with the Government, for formulating general economic policy for the industries concerned.

The PEP Plan

Whereas the Unilever, Economist and Nuffield statements have stressed the importance of proper direction of capital investment, Political and Economic Planning—more familiarly known as PEP—has stressed the consumptionist view in its pamphlet entitled "Employment for All." It is possible that PEP is closer to Professor Carr than to the other three.

The investment policy suggested by PEP would be so formulated that it would favor the less privileged members of the community, and the end in view would be the enhancement of welfare.

The vital question according to PEP is how consumption can be increased; the

vital question according to the Unilever statement is how *productive activity* can be balanced and regulated.

Conclusion

The measure of agreement among these reports is striking. On many points all are understandably vague, and further explanation and detailed discussion is needed to clarify certain of the suggestions.

The main areas of disagreement involve the two broad questions of whether to operate on the consumption level or the capital investment level, and how much State intervention in the ownership and management of industry is to be allowed.

On the other hand, there is substantial agreement that public works are not the answer to the question of employment in periods of depression, and although valuable, in the words of the Nuffield statement, "exclusive reliance on such works in their traditional forms is apt to lead to lopsided development, and to fail in applying the required stimulus to industry over a wide enough field."

There is also substantial agreement that the State must go further than it has in the past, even to the point of entering into areas of enterprise where it has not entered before, in influencing the course of productive activity, whether it be from the consumption or the investment side.

The foregoing discussion has been confined entirely to the domestic British aspects of the problem of full employment. This is not to be taken, however, as any indication that the various statements have neglected the international aspects. It is realized by all that no nation (especially not the United King-

(Continued on p. 22)

News by COMMODITIES

Coal, Coke, and Peat

PEAT PRODUCTION AND UTILIZATION IN SWEDEN

The Swedish State Fuel Commission estimates that the 1943 production of peat will approximate 1,300,000 metric tons.

The increase for this year is attributed largely to more general use of machinery and to the early spring which permitted work to start sooner in the peat bogs.

Distribution has been a serious problem in some districts, and the Peat Producers Association has requested assistance from the Government. Several proposals have been made, but no definite action has been taken.

The State Fuel Commission recently classified peat into two grades, and has fixed prices. In southern Sweden a new basis of rationing has been established, computed on the consumption of peat and wood during the last 7 months of 1942. The allotment varies from 35 to 120 percent of the individual consumption during that period.

There has been a growing interest in Swedish technical circles in carbonized peat or so-called peat coal. A plan has been proposed whereby the various municipal gasworks will cooperate with the State Fuel Commission in producing carbonized peat on a large scale. The Municipal Gasworks of Stockholm is reported to be planning to work with other municipal gas producers on this project.

A carbonizing retort has been developed for the purpose, and the Municipal Industrial Plant Administration of Stockholm has requested authority to provide a guaranty for the manufacture of 50 such retorts to be acquired by owners of peat bogs throughout the country. It is considered necessary to assure peat producers a guaranty so as

to encourage them to install carbonizing equipment.

It has been suggested that consumers who are unable to obtain mineral coal may be able to use carbonized peat in place of other substitute fuels. There is no particular interest in Sweden in the use of peat products as fuel for gas generators, since wood and charcoal are established, easily available, and cheaper.

Construction

BULGARIA'S NEW SLAUGHTERHOUSE AND EQUIPMENT

A modern slaughterhouse and refrigerating plant are to be constructed in Silistra, Bulgaria, at an approximate cost of 12,000,000 leva.

HIGHWAY CONSTRUCTION, CELEBES, NETHERLANDS INDIES

A highway is to be constructed to cut across the Equator and connect the northern and southern centers of Celebes, states a Japanese radio announcement.

The first section will link Mangkoeana, on the Gulf of Boni, with Majoa, near Lake Posso on the Gulf of Gorontalo. Work on the construction of the overland railway of Celebes Island is also reported to be progressing.

DEPARTMENT OF PUBLIC WORKS ESTABLISHED IN PANAMA

A Department of Public Works was established in Panama on August 25, 1943, to function as a dependency of the Ministry of Public Works.

The new department will be charged with the task of studying, designing, constructing, and supervising all engineering works which the Government may undertake, with the exception of those which belong in the domain of the Ministry of Agriculture and Commerce.

HIGHWAY CONSTRUCTION IN PARAGUAY

Approximately \$2,000,000 is to be spent by the Paraguayan Government on the construction of an arterial highway from Asuncion, the nation's capital, through the southwestern grazing area. The recently completed Mariscal Estigarribia road from Villarrica to Asuncion has supplied that section of the country with its first adequate communication with the capital, states a foreign trade journal.

BUILDING ACTIVITY IN PANAMA

A total of \$144,579 was spent for repair work on 80 schools in Panama during the first 7 months of 1943.

The privately owned water system at Chitre was purchased by the Government for \$38,000.

The Banco Nacional is being improved by the addition of another story.

The construction of a playfield in Colon is proposed, and in Bocas del Toro,

several public buildings, including the Government Palace, the hospital, and the police station, are to undergo repairs.

New industries projected are an ice plant for Chitre and an electric plant to furnish electricity to the town of Rio Hato.

Building permits granted in Panama City in July 1943 totaled \$325,730 in value, compared with \$129,600 in July 1942 and \$236,000 in June 1943.

JAPS REPORT NEW HIGHWAY COMPLETED IN PHILIPPINE ISLANDS

A new highway in the Philippine Islands connecting Vigan on the northwest coast of Luzon with Tuguegarao at Cagayan via Lalag, Bangue, Claveria and Aparai, was inaugurated recently. According to a Japanese broadcast, the new highway was built to encourage commerce between the Locos region and the Cagayan Valley.

Cork and Products

PLANTINGS OF CORK OAK TREES IN JAPAN

Efforts to grow cork oak trees in Japan have finally been successful, according to a Japanese broadcast.

Experiments were conducted at the forestry stations of Okayama and Tanabe and in various other sections of the country, but considerable research was necessary to discover the proper method, it is stated. In 1940 about 100 cork trees were grown, but the plants did not thrive long; however, after further tests greater success was reported in 1941.

Several industrial concerns are said to have decided on large scale plantings of cork oaks.

Electrical Machinery and Equipment

CANADIAN ELECTRICAL COMPANY'S POST-WAR PROGRAM

The Canadian Electrical Association has proposed a \$1,000,000,000 post-war program, says the foreign press, and has appointed a special committee to coordinate the plans of association members along lines meeting with Government approval.

Among the general objectives of the program will be conversion of factories from war to peacetime production, development of rural electrification, modernization and extension of power systems, manufacture of electrical appliances for low-income groups, electrification of transportation lines, and maximum employment.

Britain's "Non-Run" Stockings

Non-run ("ladderless") stockings, made of lisle or rayon backed with fine mercerized cotton yarn, are now being produced in England, according to a textile periodical. These Utility stockings have an artificial seam up the back, and are much heavier than those worn in pre-war times.

Six pairs are reported to be sufficient for a woman's yearly requirements, because of the great durability of the new stocking.

INCREASED PRODUCTION IN CANADA

Output of central electrical stations in Canada during the first 6 months of 1943 totaled 19,624,395,000 kilowatt-hours, an increase of more than 1,000,000,000 kilowatt-hours over production during the corresponding period of 1942.

The following table shows monthly production for the first half of 1941, 1942, and 1943:

[In thousands of kilowatt-hours]

Month	1941	1942	1943
January	2,634,701	3,226,289	3,217,788
February	2,497,088	2,864,438	2,951,397
March	2,681,809	3,220,963	3,329,162
April	2,693,353	3,082,740	3,268,197
May	2,805,394	3,174,764	3,502,819
June	2,560,060	3,043,200	3,355,032
Total	15,732,385	18,512,384	19,624,395

The Nova Scotia Power Commission has grown steadily since its establishment in 1919, a Canadian trade journal reports.

In 1922, the Commission delivered 5,185,538 kilowatt-hours to its customers; in the 12-month period ended November 30, 1942, deliveries totaled 208,997,430 kilowatt-hours.

The pulp and paper industries of the Province utilized 71.5 percent of the power sold by the Commission during the last fiscal year.

DECREASED PRODUCTION IN EIRE IN 1943

The Electricity Supply Board of Eire recently has issued a report covering the 12-month period ended March 31, 1943.

Conditions were difficult throughout the year. Steam stations were handicapped by the poor quality and small quantity of coal available, and hydro-electric plants suffered from an extended drought. Consumption and extension of service to new customers were restricted during part of the year.

For the first time since establishment of the Board, the quantity of electricity generated and sold was less than for the preceding years. The following table gives comparative data for the years 1938-39 through 1942-43 (April 1 through March 31).

Year	Number of consumers	Quantity generated	Quantity sold
		Million KWH	Million KWH
1938-39	160,382	377.6	295.3
1939-40	172,545	407.0	318.6
1940-41	183,747	435.9	345.2
1941-42	200,419	450.4	357.3
1942-43	210,475	414.4	328.1

The Ardnacrusha (Shannon) hydro-electric plant supplied a large portion of the power generated in 1942. This plant produced 293,700,000 kilowatt-hours—an increase of 53,400,000 kilowatt-hours over the preceding year's total. Output of Pigeon House steam station decreased 89,500,000 kilowatt-hours, to a total of 119,900,000 kilowatt-hours.

STOCKS OF ELECTRICAL GOODS "FROZEN" IN FRANCE

The sale or rental of electrical household appliances is to be prohibited in

France, a foreign trade journal reports. Present stocks of appliances are to be "frozen," and future sales limited to holders of special permits.

REFRIGERATION PLANTS USEFUL IN SOUTH AFRICAN MINES

Substantial progress has been made in installing refrigeration plants in the Witwatersrand gold mines in South Africa, the British press reports.

Electrical machinery of this type has been employed only a few years and has proved most successful for use in deep workings. Such a plant has recently been installed by three large mining companies and has simplified the sinking of shafts to depths of more than 10,000 feet, where special problems of ventilation and cooling are encountered.

In some mines workings at depths of 8,000 feet have been reached, and with refrigeration equipment it will be possible to maintain at that level temperature conditions corresponding to those at a depth of 6,000 feet.

Foodstuffs and Allied Products

Coffee

SITUATION IN EL SALVADOR

The 1943-44 coffee crop in El Salvador is estimated at 1,050,000 bags as compared with an estimated 1942-43 crop of 915,000 bags.

Exports during August 1943 amounted to 16,609 bags of 60 kilograms each, compared with 26,496 bags in August 1942. Exports during the first 8 months of the 1943 calendar year totaled 877,663 bags compared with 787,526 bags in the corresponding period of 1942.

As of August 31, 1943, stocks of coffee in the interior of the Republic and available at Salvadoran ports and at Puerto Barrios, Guatemala, totaled 12,038 bags compared with 77,435 bags on August 31, 1942.

EXPORTS FROM NICARAGUA

Only 3,910 bags of 60 kilograms each of coffee were exported from Nicaragua in July 1943—a sharp drop from June exports of 27,000 bags. Exports since October 1, 1942 have totaled 189,023 bags.

As a result of unfavorable weather, the 1943-44 coffee crop is expected to be small—probably not more than 200,000 bags. Conditions are said to be less favorable in the Sierra and Carazo regions than in the uplands around Metagalpa.

Dairy Products

PRODUCTION OF MILK PRODUCTS INCREASED BY AUSTRALIA

In an effort to meet the needs of the armed forces and of Great Britain, Australia, since the beginning of the war, has achieved a tremendous expansion in the production of milk products, states the foreign press.

The greatest increase has been in the production of unsweetened condensed milk—from 2,000,000 pounds just before

Maritimers Like Dulse

War conditions are causing a shortage in the supply of dulse, considered a delicacy by people in the Maritime Provinces of Canada. Recently, the New Brunswick Association held a picnic in Vancouver on the Pacific coast, and all went merrily except for the fact that only 5 pounds of dulse could be obtained for shipment by Canadian National Express, to serve 400 people.

Dulse, a dried seaweed, gathered along the shores of the Maritime Provinces, is purplish in color, well impregnated with salt, and rich in iodine content—but those born beyond sight of the Atlantic must "acquire the taste." It is said to be recommended medicinally.

the war to 24,000,000 pounds in 1942. Output of sweetened condensed milk rose to 77,000,000 pounds last year from 32,000,000 pounds just before the war. Increases are also shown in the figures for concentrated milk and powdered milk, both skim and full-cream.

Butter output for the year ended June 30, 1943, is estimated at 178,867 tons compared with 169,454 tons in 1942 and 211,987 tons in 1939-40.

The Commonwealth contracted to supply the United Kingdom with 70,000 tons of butter and 10,000 tons of dry butterfat during the year ended June 30, 1943. Up to March 31, 1943, exports for the fiscal year totaled 51,120 tons.

Cheese production for the year ended June 30, 1943, is estimated at 36,555 tons compared with 29,798 for 1941-42. Production for the 9 months ended March 31, 1943, was 31,105 tons, while exports totaled 9,510 tons, or about 30 percent of production.

CANNED-MILK PRODUCTION DECLINES IN PANAMA

Production of canned milk in Panama has declined notably, according to July statistics. During the first 6 months of 1943 Panama's milk-processing plant produced only 169,232 kilograms of condensed milk and entirely suspended the manufacture of evaporated milk.

The decline in the production of canned milk is said to have been caused by the profitable market for fluid milk.

The following table shows production of condensed and evaporated milk and consumption of fresh milk in the Republic of Panama in the years 1939-42, inclusive, and the first half of 1943:

Year	Production		Consumption of fresh milk
	Condensed	Evaporated	
	Kilograms	Kilograms	Liters
1939	265,515	293,410	1,215,503
1940	201,846	730,897	1,840,819
1941	364,978	593,603	1,985,850
1942	343,307	166,950	1,777,094
First half of 1943	189,232	—	410,614

Tea Plantations Taking New Hold in South America

Tea has joined silk, jute, and other products of the Orient which are being grown on a small but increasing scale in South America under wartime stimulus to production of these imported staples.

Tea plantations totaling 1,200 acres have been established in Peru, with production of about 250,000 pounds of dry tea for the Peruvian market this year. President Manuel Prado, in a recent annual message to the Peruvian Congress, pointed to the tea development as an example of the Republic's agricultural progress.

Efforts to grow tea in South America have been made over the last 50 years. Small plantings of tea are found now and then in most of the Andean republics. Nurseries to propagate tea plants have been established in three of Peru's agricultural experiment stations. Nearly a million young tea plants are being distributed to farmers at cost.

Home-grown tea is on sale in the markets of Peru, and small export shipments have been made to Bolivia. The government has engaged Edward C. Elliott, an English tea expert from Ceylon, to supervise the development of the industry. A factory for drying and processing tea is to be built at Tingo Maria. Several tea plantations have been established in this region.

The Agricultural Bank of Peru makes loans at a low rate of interest to growers who wish to engage in this industry.

Tea is an evergreen shrub which grows from 3 to 5 feet high. It thrives in a subtropical climate with copious rainfall.

On the eastern side of the Andes, where the mountains slope down to the jungle of the Amazon Valley, are hundreds of square miles of fertile land which lend themselves to tea cultivation. Peru hopes, therefore, to expand further this new industry.

Despite the decline in production of canned milk, only about 748,821 kilograms of condensed, evaporated, and powdered milk were imported into the Republic of Panama in the first half of 1943, compared with 1,377,442 kilograms in the corresponding period of 1942.

Fish and Products

RICE FIELDS TO BE USED FOR FISH CULTIVATION IN BULGARIA

The Ministry of Agriculture of Bulgaria has offered its full support to rice growers to cultivate fish in the rice fields, according to the foreign press. The Bulgarian carp thrives well in the rice fields. It is estimated that from 10 to 20 kilograms of fish (1 kilogram=2.2046 pounds) can be successfully grown on each decare (1 decare=0.2471 acres) of submerged rice land.

As the total area of the rice fields available for fish cultivation amounts to approximately 100,000 decares, total fish products from this area could be between 1,000,000 and 2,000,000 kilograms annually. This is as much as is taken from the Danube and other fresh-water sources in Bulgaria each year.

COSTA RICA ENACTS LAW FOR DEVELOPMENT OF FISHING INDUSTRY

Costa Rica enacted a law on July 30 providing for the development of the fishing industry in that country. The law authorized the issuance of short-term bonds to the value of \$400,000 to be called "Bonds for the Protection of the Fishing Industry," the proceeds of which will be used exclusively for the establishment and subsequent protection of a national fishing industry, and for the creation of plants for the manufacture of fish products.

It recently was announced in the Costa

Rican press that most of the bonds had been purchased and that a national fishery will be established at El Coral, near Puntarenas, on the Pacific coast.

A large fishing boat, the *Amparito* (confiscated from Japanese nationals at the outbreak of the war) will be delivered to the fishery for use in its operations.

The Pacific Railway has already prepared refrigeration cars for the speedy transportation of fish from the coast to the capital, and arrangements are to be made for special trucks to meet the trains and to deliver the fish immediately to the butcher shops.

According to the announcement, all details concerning the program have been carefully worked out, and it may be possible to begin selling fish throughout the interior of the country in the near future.

Fruits

CEYLON'S COCONUT PRODUCTION ASSET TO UNITED NATIONS

With the loss of the Philippines, the Netherlands Indies, and British Malaya, the United Nations have been denied access to more than half of the world's acreage planted to coconut palms.

Ceylon's 1,100,000 acres of coconut palms constitute approximately 14 percent of the world total and nearly 30 percent of the coconut acreage now available to the United Nations.

Annual production of coconuts in Ceylon amounts to from 1,500,000,000 to 2,000,000,000 nuts.

It is reported that weather conditions have been favorable during the first half of 1943, and it is expected that production for this year will be close to the 2,000,000,000 figure.

The shortage of rice in Ceylon has caused the proportion of the total coconut crop consumed locally as food to in-

crease from the pre-war figure of about 20 percent to an estimated 40 percent at the present time. It is expected that as the food situation becomes more acute, the proportion of the crop consumed as food will increase. Estimates are that 750,000,000 nuts will be consumed in Ceylon during 1943 and that about 15,000,000 nuts may be exported to India.

The influence of the war upon the coconut industry, together with the growing importance of Ceylon's coconut products to the United Nations, led to the establishment of rigid price and export controls in early 1942. The Ceylon Commissioner of Commodity Purchase, acting as agent for the British Ministry of Food, purchases the exportable portion of the island's coconut products.

SOUTH AFRICA'S FRUIT PRODUCTION

Thousands of tons of grapes, peaches, plums, apples, and pears were packed in the Union of South Africa during the deciduous fruit season.

Out of a total of 14,000 tons, which made more than 1,500,000 packages of fresh fruit, only 5,000 packages were rejected for sale and only 1,000 packages were destroyed because they were believed unfit for human consumption, according to a press dispatch from Cape-town.

Grain and Products

CANADIAN WHEAT-FLOUR PRODUCTION

Production of wheat flour in Canadian mills in July 1943 amounted to 1,945,123 barrels, compared with 1,590,219 barrels in the corresponding month of 1942.

Flour production in the 1942-43 crop year (August 1, 1942 to July 31, 1943) totaling 23,549,707 barrels, exceeded any 1 year's production in the records of the Dominion Bureau of Statistics. Production in the 1941-42 crop year amounted to 19,653,379 barrels.

WHEAT SHORTAGE REPORTED BY GERMANY

Because of a poor harvest, only about 9,000,000 tons of wheat will be available for domestic consumption in Germany this year, according to statements of the Ministry of Agriculture published in a foreign-trade journal. A minimum of 11,000,000 tons is said to be required.

NEW BREAD-RATIONING REGULATIONS IN RUMANIA

New bread-rationing regulations in Rumania have increased the ration per person from 250 to 300 grams daily, with the standard loaf to consist solely of wheat flour.

The cost of a standard loaf of white bread weighing 600 grams is two and a half times that of the same-sized loaf of black bread. Ration cards are to be used when buying black bread, while white bread is to be sold freely. Bread and bakery products made from white flour are also sold to those who can afford them.

It is reported in the Rumanian press that when the bakery shops of Braila opened for business on August 1, a large crowd of people rushed in "determined to take home a loaf of white bread."

In commenting upon the first distribu-

tion of white bread in Bucharest, a local paper of August 4 alleged that it was made available to everyone, but because of the great demand some were unable to buy any, and that even rationed black bread was not available in sufficient quantities. The reason cited was that "the transport of wheat was interrupted on account of transportation difficulties." The nature of these "difficulties" was not disclosed.

OATS SHORTAGE IN SPAIN

The oats harvest in Spain is short of consumption requirements by nearly 200,000 metric tons, according to the General Commission's statistics. Officials of the Commission admit, however, that some farmers probably have not declared their total production, and, as a result, livestock in the oat-producing regions may be taken care of throughout 1943 despite the apparent deficit.

Revaluated in the light of this statement, it would appear that the actual Spanish oats deficit may amount to no more than 148,000 metric tons, and that total production, including the non-declared tonnage, approximates 550,000 metric tons. This is nearly 1,000,000 tons behind the 1942 yield, which, estimated at 655,600 metric tons, surpassed even the average yield of 637,400 metric tons during the decade 1926-35.

The deficit in the nonproducing provinces of Spain, however, can hardly be made up by production from other regions. For this reason the Commission is attempting to import oats, especially from Argentina. Contracts for 6,000 metric tons of oats have been concluded, and the grain is being brought to Spain for cattle feed in the Provinces where domestic oats and barley cannot be obtained. Negotiations are going forward for the purchase of an additional 3,000 metric tons.

Meats and Products

HOG SLAUGHTERINGS, SWEDEN

Commercial slaughterings of hogs in Sweden during July 1943 totaled 57,872 compared with 30,430 in the corresponding month of 1942, and 65,893 in June 1943, according to the Royal Medical Board, Stockholm.

Sugars and Products

SOUTH AFRICA'S SUGAR INDUSTRY

The sugar industry, one of the most important industries in the Province of Natal, Union of South Africa, reportedly is in excellent condition. There are some 785,000 acres under sugarcane cultivation, and this year's yield is estimated at 580,000 short tons.

As normal sugar consumption in South Africa is 450,000 short tons, a surplus of 130,000 tons for export is expected. Most of the surplus will be shipped to the United Kingdom; because of its high priority, little difficulty in securing shipping space is anticipated.

Sugar production in the Union of South Africa is Government-controlled. The mills are working almost to capacity, which is 600,000 short tons, although some difficulty has been experienced in

obtaining fertilizer for the plantations and parts for machinery when breakdowns occur.

Vegetables and Products

ONION PRODUCTION, CHILE

The onion industry occupies a place of considerable importance in the agriculture of Chile. In recent years the annual onion crop has been valued at approximately 5,149,000 Chilean paper pesos, or about \$165,000 U. S. currency. The most important onion-producing regions are in central Chile, especially in the north central districts.

In 1942 approximately 2,500 hectares (1 hectare=2.471 acres) were sown to onions, compared with 2,200 hectares in 1941.

Production in recent years is shown in the following table:

Year	Production	Year	Production
	<i>Kilograms</i>		<i>Kilograms</i>
1936.....	41,959,540	1941.....	44,474,000
1940.....	42,587,208	1942 ¹	45,620,000

¹ Estimated.

Exports of onions have decreased in recent years because of shipping difficulties and the closing of former European markets. In 1939, exports amounted to 9,920 metric tons while in 1941 only 968 metric tons were exported. In 1942, however, exports increased to 2,474 tons.

CHILEAN CHICKPEA PRODUCTION

The 1942-43 Chilean chickpea crop, it is unofficially estimated, totaled about 38,500 metric quintals (1 metric quintal=220.46 pounds) compared with 35,000 quintals in 1941-42.

The Directorate General of the Chilean Ministry of Agriculture estimates that the exportable surplus from the 1942-43 chickpea crop totals roughly 10,000 quintals.

Both the area sown to chickpeas and production have declined in recent years because of curtailment of exports and the substitution in some instances of

crops which have brought better returns to the growers. About 7,925 hectares (1 hectare=2.471 acres) were sown to chickpeas (garbanzos) in Chile for the 1942-43 crop, according to the Government's latest estimate, compared with 7,048 hectares in 1941. During the period 1934-41, inclusive, the areas sown to chickpeas usually totaled from 10,000 to 11,000 hectares.

Exports of Chilean chickpeas declined to only 8,470 metric quintals in 1942, compared with 22,813 metric quintals in 1940.

SPAIN'S POTATO CROP

The average yield of the Spanish potato crop in the decade between 1926 and 1935 amounted to somewhat more than 4,400,000 metric tons. The General Commission of Supply and Transport, which determines rations and arranges where possible for importations, reports that only 3,382,310 metric tons of potatoes were produced for distribution in 1942, and that slightly less, or 3,330,890 metric tons, will be produced for 1943. Part of the crop is not accounted for officially but is available for farm consumption. Unofficial observers believe that the final yield may reach 3,400,000 tons, especially since efforts are being made to stimulate late planting to offset the low returns from the early potato crops already harvested.

Leather and Related Products

Hides and Skins

PRODUCTION IN PERU

Hide and skin production in Peru during the first 7 months of 1943 is estimated at 110,000 cattle hides, 620,000 sheepskins, and 275,000 goatskins and kidskins.

INCREASED PRODUCTION IN NEW ZEALAND

Approximately 66,000 more hides were used by tanners in New Zealand during



TOMORROW IS TOO LATE

BUY THAT WAR BOND

TODAY

1942-43 than in the preceding season, and more hides were freed for export than in 1941-42. It is believed that slaughter of young stock was heavier than normal in 1942-43 owing to weather conditions.

Tanning Materials

WATTLE-BARK-EXTRACT PRODUCTION, SOUTH AFRICA

The usual production of wattle-bark extract (approximately 70,000 long tons a year) is being maintained in Natal despite war and shipping difficulties. Ordinarily about 90 percent of the extract is exported.

Lumber and Products

DECREASE IN NEW ZEALAND'S EXPORT

New Zealand's exports of lumber dropped sharply last year, according to statistics recently published in the British press.

In 1942 only 7,548,000 board feet were exported, valued at £96,032, compared with 19,066,000 feet in 1941, valued at £220,600.

New Cement Company for South Brazil

A cement company, called Companhia Catarinense de Cimento Portland, has just been formed, with its head office at Brusque, in the State of Santa Catarina, Brazil, and an initial capital of 30,000,000 cruzeiros. With the rapid development of Brazil and the deficiency of cement production in Sao Paulo, Rio de Janeiro, and other centers, the time was deemed opportune for the construction of a large factory in the southern part of the country. Not only do the many ports and the extensive system of roads justify the establishment of the industry in Santa Catarina, but it can also serve Rio Grande do Sul, Parana, and other important nearby areas.

A large deposit of very pure limestone has been selected, which is very favorably located near the confluence of the Ouro and the Itajai Mirim Rivers in the municipality of Brusque. Electric power for the quarry and the factory will be furnished by the hydroelectric power plant at Blumenau, and coal from the State of Santa Catarina will be used as fuel.

The factory will be located in the port of Itajai, where enough clay exists for admixture with the limestone. This port has become one of the most readily accessible in Brazil. The sacks of cement will be loaded directly by machines onto the boats of the company.

All shipments went to Australia and consisted mainly of rimu and insignis pine.

PITWOOD STOCKS ADEQUATE IN U. K.

Production of the United Kingdom's home-grown pitwood has been running above normal this season, and July figures were expected to show a further slight increase, says a British trade publication.

Stocks are readily available to meet colliery requirements, it is stated.

Medicinals and Crude Drugs

NUX-VOMICA PRODUCTION IN INDIA

Normal production of nux vomica in India is about 1,500 long tons per year, but the 1942-43 crop, which appeared on the market in February 1943, was below this level. Since nux-vomica trees have been cut to supplement a shortage of timber and firewood, next year's crop, also, is expected to be small.

About 600 long tons of nux vomica are on hand; 58 percent of this is in South India, along the Malabar coast, and 42 percent is in the Calcutta area.

Because the United States and the United Kingdom, usually strong buyers, have slackened demand, the price of nux vomica has dropped during the first half of 1943.

Motion Pictures and Equipment

THEATER SHOWINGS IN BOLIVIA

Motion pictures from the United States are well liked in Bolivia, even though most of the features are at least 2 years old when they are exhibited there. This delay is attributed primarily to the fact that the films are not received direct from the United States.

Some news reels are being imported by air and are received promptly, but others as much as 5 years old are still being shown in theaters in outlying districts. Few documentaries, educationals, or animated cartoons are presented.

Spanish subtitles are provided for films from the United States, the Soviet Union, England, and France. Mexican, Chilean, and Argentine productions, being in Spanish, need no titling. Pictures in which the story is told by action more than by dialogue are preferred, particularly if the original language is other than Spanish.

Two new theaters were opened in La Paz in 1942, bringing the total number in Bolivia to 44. No exact statistics regarding seating capacity are available but the total is believed to be approximately 13,200. Total annual attendance is estimated as 8,000,000.

ONE MOTION-PICTURE THEATER IN GRENADA, B. W. I.

The island of Grenada in the British West Indies has but one motion-picture

theater. This theater is located in St. George's, the capital city, and has seating accommodations for 750 persons. Seven evening and three afternoon performances are given each week, and total annual attendance is estimated to be 100,000.

Approximately 300 features are shown annually, about 95 percent of them produced in the United States and 5 percent in the United Kingdom. No films are produced locally.

Musicals are reported to be the most popular type of film. Dramas, adventure stories, and animated cartoons are also well liked.

MEXICO'S IMPORTS OF BLANK FILMS

Blank motion-picture film weighing 20,071 kilograms and valued at 438,894 pesos was imported by Mexico in March 1943, an official report from that country shows. Total imports for the first quarter of 1943 amounted to 34,760 kilograms, valued at 699,187 pesos.

DEVELOPMENTS IN U. S. S. R.

Work on new programs of stereoscopic films has started in the Soviet Union, it is reported. Arrangements have been made to revive the stereoscopic films formerly shown at the Moskva Theater, and a film depicting the life of children in Moscow during the war will soon be exhibited publicly, and with no admission charge.

A light-absorbing screen made of 20,000 copper wires is used in screening these films.

Oils, Fats, and Oilseeds

LINSEED-OIL EXPORTS FROM ARGENTINA

The Argentine Minister of Agriculture reports that 167,000 tons of linseed oil were exported during July. For the first 6 months of 1943 a total of 154,000 tons were shipped.

OLIVE PRODUCTION, MENDOZA PROVINCE, ARGENTINA

The olive crop in the Mendoza Province of Argentina was officially estimated at 5,400 metric tons, compared with 1,608 metric tons in 1942. Apportionment of last year's crop consisted of 43 percent to olive oil production, 31 percent to local consumers, and 26 percent to fresh exportations.

INCREASED CASTOR-BEAN PRODUCTION IN BRAZIL

A purchase agreement signed with the United States last July seems to have been a stimulant for castor-bean production in Brazil. The most noticeable expansion during the current year, compared with previous years, was credited to Sao Paulo, where production moved up from second to first place, exceeding that of Bahia.

The production of the eight principal States, according to unofficial sources, is expected to be about 250,000 metric tons, compared with about 200,000 metric tons in 1941 and 1942 and not more than 100,000 metric tons during previous

years. About 28 percent of the current crop probably will come from Sao Paulo, 24 percent from Bahia, 16 percent from Pernambuco, and 14 percent from Ceara. In addition, certain small producers may raise about 10,000 metric tons of castorbeans.

SUNFLOWER ACREAGE INCREASED IN CHILE

Chile's 1942-43 sunflower plantings will be increased to 24,400 acres, or about 39 percent greater than in 1941-42, according to an official estimate. Since the yield per acre is expected to be greater, the production forecast was placed at 12,000 tons, an increase of 74 percent over 1942.

OLIVE OIL FROM GREECE GOES TO NAZIS

Most of Greece's 1941-42 olive-oil production of 77,375 tons went to Germany, says an official Greek source.

DECREASED COTTONSEED PRODUCTION IN INDIA

India's 1942-43 cottonseed crop will yield an estimated 528,000 tons, which is 165,000 tons or about 24 percent less than that of the preceding crop year.

GROWING OF BAY TREES ORDERED IN ITALY

The Italian Ministry of Agriculture ordered the growing of bay trees after it was learned that bay berries produce an ingredient which would assist in manufacturing a soap of high cleansing quality, independent of imports of foreign oils, says a Milanese publication. For the time being, however, Italian bay-oil production amounts to only a few hundred quintals.

MOZAMBIQUE'S PRODUCTION AND EXPORTS OF COPRA

Copra ranks third by value of the export products of Mozambique. Cotton and sugar are the first and second most valuable exports.

Coconuts are grown throughout the coastal areas, but cultivation on a large scale is confined chiefly to the Quelimane District of Zambesia Province, where about 90 percent of the colony's copra is produced. It is estimated that there are well over 5,000,000 coconut palms in the Quelimane District, of which more than 3,000,000 are on plantations operated by Europeans, principally Swiss and Portuguese. Coconut plantations, operated in some cases by Germans, are also to be found in the neighboring districts of Mozambique and Porto Amelia, and in Inhambane, farther to the south.

According to 1941 official data, the area regularly planted to coconuts throughout the colony comprises 141,588 acres.

Although copra has long ranked among the colony's leading agricultural products, modern methods of cultivation and processing were introduced only about 25 years ago. Since 1920 rapid progress has been made along these lines. The larger plantations are now generally subdivided into easily controlled units of about 170 acres.

Each unit has its own cultivating, drying, packing, and warehousing equipment, and is under the supervision of a European foreman. Some plantations are equipped with narrow-gauge rail-

roads, although trucks and oxcarts are the principal means of transportation. Records are kept of the growth and yield of the individual palms. Periodic inspections are made to detect plant diseases and insect pests, in order that prompt measures may be taken to combat them. Because the plantations are systematically cultivated and fertilized, and modern methods are used, the average yield of nuts per palm increased on one of the plantations from 39 in 1927 to 52 in 1937.

The volume of the colony's copra exports does not appear to have been greatly affected by war conditions, although the value has fluctuated widely, as may be seen from the following record of shipments made in recent years:

Year	Quantity	Value
	Kilograms ¹	Escudos
1935	34,000,518	23,962,918
1936	34,194,453	30,856,784
1937	35,785,400	50,053,786
1938	38,577,459	28,427,867
1939	33,313,391	20,034,513
1940	25,930,400	18,279,522
1941	32,583,792	30,090,868
1942	33,579,469	40,475,772

¹ Kilogram = 2.2046 pounds.

Since the war there has been a radical shift in the destination of copra exports from Mozambique. This is shown in the following table:

Destination	1938	1942
	Metric tons	Metric tons
United Nations	183	5,575
Present Axis areas	38,011	—
European neutrals	353	28,004
Total	38,577	33,579

No copra was shipped in 1938 or 1939 from Mozambique to either Sweden or Switzerland, but in 1940 both countries took approximately 2,300 metric tons, and in 1942 exports to Sweden totaled 10,050 tons. Spain received 6,162 tons of copra from the colony in 1942, and Portugal received 942 tons.

The greatly increased exports to neutral Europe have developed because those countries are no longer able to obtain copra from former sources of supply in the Far East.

Coconut oil is produced in the colony on a relatively small scale. This product was formerly exported almost exclusively to the Union of South Africa. Recently, however, shipments have been made to Portugal, Switzerland, and other countries. For instance, some 2,086 metric tons of coconut oil went to Switzerland in 1942, representing 50 percent of the total quantity exported that year.

SESAME PLANTING IN NICARAGUA

Nicaragua in 1942 planted the largest amount of sesame on record—18,700 acres. The 10,000-ton harvest which resulted was smaller than anticipated, because of late rains. About 95 percent of the yield was available for export and most of the surplus was sent to Costa Rica. Reduced acreages are expected

Brazil's Quartz Crystals Aid Allied War Efforts

Brazil, working hand in hand with the United States, has increased the production of quartz crystals to such an extent that the Allied Nations will never run short of this needed commodity. No matter how long the war lasts, the nations fighting the Axis powers will have a plentiful supply of this material. It has vital military uses, including radio detecting devices.

This statement is made by the United States War Production Board, which recently reported that, as a result of the coordinated efforts of scientists in the United States, shortages of various critical and strategical materials have been overcome.

One of the most critical shortages, now relieved, was that of quartz crystals. The demand for them immediately after the United States entered the war was three times the world production.

Fortunately, Brazil had huge undeveloped deposits for the war effort. Millions of dollars' worth of equipment and large numbers of trained personnel were sent from the United States to Brazil. Production was expanded. At the same time, quartz crystal fields were developed in the United States. These two Good Neighbor countries now provide enough quartz crystals to supply all the Allied Nations.

for the 1943-44 crop, states a foreign publication.

Total acreage of sesame in Nicaragua is not expected to increase this season, though acreage for the month of June, as authorized by bank loans, was somewhat more than that of a year ago. The chief reason for this situation probably is that many farmers last season found few marketing opportunities.

During the first half of 1943 sesame exports from Nicaragua were the largest in the country's history.

PRODUCTION OF OLIVES AND OLIVE OIL, PALESTINE

The 1943 olive-oil yield in Palestine is expected to be between 9,000 and 10,000 metric tons. The production of olive oil in 1942-43 was 9,455 metric tons, compared with 1,616 metric tons in 1941-42.

Actual production of olive fruit in 1942 was 62,708 metric tons valued at about \$11,469,060. In May 1941, olive-fruit production was 13,472 metric tons; in 1940, 45,767 metric tons; in 1939, 35,232 metric tons. There is little variation from year to year in acreage devoted to olive production. In 1942 approximately 148,000 acres were designated for that purpose, 88.5 percent of which were "bearing" areas.

Sweden Clamps Down on Construction Work

The Swedish Parliament has placed construction work of all kinds under rigid Government control. This emergency wartime measure remains in force for a year, and no construction work can be started or carried out without prior authorization.

A permit is required for the demolition of houses as well as the construction of all types of houses, excavations for houses, construction of roads, railways, tramways, and other large transport systems, bridges, harbors, channels, electric power plants, water and drainage conduits, streets, and parks.

The Government will authorize only such construction as is deemed essential—thus facilitating the economic utilization of materials and manpower.

Regulations permit the building of smaller building projects not requiring more than three men, and of urgent work necessary to prevent damage to property. Work on this emergency construction must not exceed 8 days.

Heavy penalties are provided for violations of these new building regulations.

Apparently there are no reliable statistics concerning stocks of olive oil on hand, but they are believed to be satisfactory, since soap manufacturers are not asking for Government help in getting supplies. More than a quarter of the average annual yield is usually consumed by soap manufacturers.

Prices of olive oil are not controlled, but it is reported that the Government intends to purchase not more than 3,000 metric tons of the cheaper-quality oil and market it at reduced prices, to lower the cost of living and deplete the surplus and, by using olive oil thus discourage the importation of vegetable oils.

LINSEED YIELDS IN URUGUAY

The official estimate of the past season's harvest of linseed in Uruguay has been raised 3,000 to 49,000 metric tons, says an unofficial foreign report. Exports of the present crop through May 31 totaled 19,597 tons, all of which went to the United Kingdom, according to published reports. Buying permits have been issued to cover 37,631 tons of linseed, about 77 percent of which is expected to go to Great Britain, 11 percent to Brazil, and 6 percent to Sweden.

Paper and Related Products

PAPER-PRESERVATION METHODS, INDIA

Certain types of paper, when sized in a chemical bath and placed between fly-

leaves and covers of books, have been found by the Research Laboratory of the Imperial Record Department in India to have insecticidal qualities and to be effective in prevention of mildew. The treated paper, which is harmless to human beings, as well as to ink and fiber of the most delicate documents, retains its efficacy for approximately 9 months, the period varying with temperature and ventilation.

This method of protecting books and papers is said to be inexpensive and particularly suitable for the Tropics.

Petroleum and Products

DRILLING TO PROCEED IN CAPE PROVINCE, SOUTH AFRICA

Promising surface indications of oil-bearing shale have been discovered near Graaf-Reinet, Cape Province, South Africa, says a British publication. After a survey, the Government geological department intends to bore for petroleum.

PETROLEUM DRILLING IN NEW ZEALAND

The New Zealand Petroleum Co., upon completion of a second test well in the New Plymouth area, is preparing to drill a deep well at Uruti, 35 miles north of New Plymouth. Further structural drilling to the south of New Plymouth is also being undertaken.

Railway Equipment

PURCHASE OF NEW RAILWAY CARS, COLOMBIA

The Antioquia Railway of Colombia is to use the proceeds of an internal loan of 2,000,000 pesos (approximately \$1,143,000) for the purchase of four new locomotives and numerous freight cars and equipment.

The service has been under pressure as freight movement of domestic products has increased and equipment has been difficult to obtain.

Soaps, Toiletries, and Essential Oils

SOAP MANUFACTURE IN JAMAICA, B. W. I.

Arrangements have been completed, says the West Indies press, whereby a Jamaican concern will produce brands of toilet soaps previously imported. Laundry soaps have long been manufactured in Jamaica. Talcum powders, however, will continue to be imported in bulk and packaged in the British West Indies.

DECREASED EXPORTS OF ESSENTIAL OILS, JAMAICA, B. W. I.

Reports from Jamaica indicate that there has been an 80-percent decrease

in the value of essential oil exports for the first half of 1943, as compared with the first half of 1942.

REGULATIONS ON SOAP MANUFACTURE IN SPAIN

To assure more equitable distribution between the manufacture of common and toilet soaps and to effect a more just relationship in prices, the Spanish Government in July issued an order which superseded all previous regulations pertaining to the manufacture of soap in that country.

Last year it was difficult to procure soap of any description because of the scarcity of certain oils. Since that time soap, toilet soap in particular, has become plentiful. Many manufacturers had turned to oils which were not Government-regulated and which could be purchased on the open market at high prices, since those oils with quota restrictions were not sufficient. These industrialists as well as those who had sufficient stocks concentrated on toilet soap production, and the number of factories making this variety doubled within a few years.

This newest decree states that those manufacturers who, before 1939, were not making toilet soaps, cannot now do so. Henceforth, toilet-soap manufacturers will not be able to obtain oils under Government allotment reserved completely for the common soap industry, and toilet soap manufacturers will have to secure their ingredients from free oils.

Special Products

BRUSH MANUFACTURE IN EIRE

The brush-manufacturing industry of Eire is more than 100 years old and at present comprises about 20 factories, most of them in the Dublin area.

Since the outbreak of the war, this industry has been experiencing great difficulty in obtaining necessary supplies, the foreign press says. Previously, practically all raw materials were imported—hog bristles mainly from China; horse-hair from the Far East, Australia, and South America; and vegetable fibers, chiefly from Africa, Hungary, and Latin America.

The following table shows the quantities of materials imported in 1936, 1937, and 1938, and the countries of origin:

[Figures in hundredweight]

Material and country of origin	1936	1937	1938
Bristles:			
Poland (including Danzig)	21	103	39
China (excluding Hong-kong)	264	240	272
Other countries	41	68	66
Total	326	411	366
Fibers, undressed:			
Great Britain	268	136	30
Hungary	3,646	4,301	4,900
Ceylon and dependencies	745	1,203	1,255
British West Africa	3,670	3,349	3,524
Argentina	3,401	1,618	—
Brazil	892	660	772
Mexico	721	872	1,088
Other countries	1,595	1,680	1,265
Total	14,844	13,758	12,034

Manufacturers are now forced to depend almost entirely on accumulated stocks and on materials which can be procured locally. Domestic horsehair is being used extensively, but bristles from Irish hogs have proved much less satisfactory than imported bristles. Native woods are being utilized for handles.

Despite the unfavorable supply situation, the industry is manufacturing substantial numbers of brushes and brooms. Quantities produced in 1940 and 1941, the last years for which figures are available for publication, are shown in the following table:

Type of brush	1940	1941
Household and domestic brushes and brooms, twigs, and American whisks	Dozen	Dozen
Other	23,445	8,879
Toilet	172,587	139,217
Painters and decorators	79,989	78,670
	58,779	49,491
Total	334,780	276,257

Most of the machinery used in the industry is electrically driven and was manufactured in Great Britain, the United States, and Germany. In the years immediately preceding the war, German machinery was gaining in popularity because of the promptness with which orders for repair parts were filled.

BRUSHES WITH NYLON BRISTLES USEFUL IN CANADA

The paper industry in Canada has found brushes with nylon bristles very satisfactory in giving gloss to glassine and greaseproof papers, a Dominion publication states.

Brushes used for this purpose are cylindrical and range from 80 to 107 inches in width and from 13 to 14 inches in diameter. While revolving at speeds up to 100 revolutions per minute, they apply a special solution to the paper as it is fed through the crating machine.

Nylon bristles reportedly wear longer than the natural bristles and do not soften in the various solutions used.

Textiles and Related Products

SITUATION IN CANADIAN TEXTILE MILLS

Employment in all branches of Canada's textile industry declined in June, when 80,871 workers were employed in the primary manufacturing group, and 60,159 in the secondary, reports a trade journal.

In the preceding month 81,516 were occupied in primary textile industries and 60,263 in the secondary, as compared with 86,062 and 61,564, respectively, in June of 1942.

Cotton and Products

ARGENTINA'S PRODUCTION AND EXPORTS

During the first 7 months of this year, 3,302 metric tons of cotton were exported from Argentina, although, according to published reports, no export shipments

were made in July. In the January to July period of 1942, no shipments were made to other countries.

All records will be broken by the 1942-43 cotton crop which, according to the third official estimate, will amount to 95,000 metric tons. Trade sources even predict as much as 100,000 tons.

By the end of August an equivalent of about 90,000 tons of fibre had already reached the gins.

COTTON PRODUCTION IN EL SALVADOR

El Salvador's 1942-43 cotton crop is now reported as 68,140 quintals, even higher than the previous official estimate of the record crop.

By the end of August, 45,270 quintals had been sold to domestic mills by the Cotton Growers' Cooperative, and 12,375 were exported.

Licenses for planting the 1943-44 crop have reached a record high figure of 18,828 manzanas. This is greater than last year's planting of 16,000 manzanas, but the yield may not fulfill expectations, because of recent unfavorable weather.

DECLINE IN CANADIAN COTTON-MILL OPERATIONS

Cotton-mill operations in Canada again declined in July, and continued downward through August. Only 34,683 bales were opened in July, the lowest number for any month since 1939. In June of this year 36,781 bales were opened, and 41,873 bales in July a year ago, a trade periodical reports.

Aggregate cotton consumption for the first 7 months of 1943, of 266,765 bales, has shown a corresponding drop, from 301,101 bales in the like period of 1942, 285,733 in 1941, and 271,662 in the corresponding months of 1940.

Imports of raw cotton into Canada also registered a decline, 78,000,000 pounds having been received in the first 7 months of 1943, compared with 177,000,000 pounds in the like period of 1942.

Synthetic Fibers and Products

CANADIAN IMPORTS

Canada's imports of rayon yarns, as reported in a textile periodical, have been on the increase, and totaled nearly 2,600,000 pounds in the first 7 months of this year, compared with some 2,200,000 pounds reported for the corresponding period in 1942.

Staple-fiber imports reached 3,500,000 pounds in the January to July period of this year, whereas the total for that period in 1942 was reported as 3,300,000 pounds.

Wool and Products

U. K. STOCKS OF WOOL IN SCOTLAND

Government orders are believed to have necessitated the release of about 1,000,000 pounds of blackface wool.

Some 6,500,000 pounds of last year's clip are estimated to be still in stock.

Overtime has been resorted to in handling the 1943 clip which is rapidly arriving at warehouses. It is reportedly the best clip of recent years.

PRICES FIXED ON WOOLEN GOODS IN U. K.

Maximum prices have been fixed on woolen and worsted yarns and cloths, and charges for any process done on commission in the manufacture of those products may not exceed a set amount, in the United Kingdom.

Issued by the Board of Trade in consultation with the Central Price Regulation Committee, this new wool-yarn-and-cloth order forms a price-control code for the entire industry. Yarns and fabrics for export trade are not affected by the new regulations.

Buying activity in all branches of the wool market receded in August, after the period of heavy trading in July, but manufacturers remain busy on orders already on hand.

URUGUAY'S PRODUCTION AND CONSUMPTION OF WOOL

Prospects for the 1943-44 wool clip in Uruguay seem very bright, both as to quantity and quality.

Domestic consumption is unofficially estimated at 4,500,000 kilograms for the 1942-43 wool year, and is expected to reach 4,700,000 kilograms for the next season.

Miscellaneous Fibers

TURKEY'S TRADE IN FIBER PRODUCTS

British goods, purchased by Turkey through the United Kingdom Commercial Corporation, were valued at £1,855,220 in 1942, say British trade journals.

Imports of manila rope were valued at \$6,750; linoleum and oilcloth, at \$21,000; and cotton and cotton yarns, at \$296,200.

Among Turkish products purchased by the Corporation were 800 tons of flax and 2,000 tons of hemp.

It
Happened over there

Dont

Let it happen here

SABOTAGE

New Books and Reports

★ The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. *Please note:* The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Current Interest Appearing in the Department of State Bulletin September 25, 1943

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., for the price of 10 cents each; subscription price \$2.75 a year. The September 25 issue contains these articles:

FOREIGN ECONOMIC ADMINISTRATION AND FOREIGN RELIEF:

Appointment of Leo T. Crowley as Foreign Economic Administrator and Appointment of Herbert H. Lehman as Special Assistant to the President.

Appointment of Chairmen of Area Committees for Coordination of the Planning of United States Agencies for Foreign Economic Rehabilitation.

FORMER GERMAN, FRENCH, AND ITALIAN OFFICIALS IN THE UNITED STATES.

TRANSFER TO NEUTRAL OWNERSHIP OF ENEMY ASSETS IN ITALY.

PASSAGE OF THE FULBRIGHT RESOLUTION BY THE HOUSE OF REPRESENTATIVES.

THE PROCLAIMED LIST: CUMULATIVE SUPPLEMENT 6 TO REVISION V.

RESIGNATION OF SUMNER WELLES AND APPOINTMENT OF EDWARD R. STETTINIUS, JR., AS UNDER SECRETARY OF STATE.

RECORDS OF THE DEPARTMENT OF STATE.

VISIT TO THE UNITED STATES OF THE FOREIGN MINISTER OF SAUDI ARABIA.

CONFERENCE OF MINISTERS AND DIRECTORS OF EDUCATION OF THE AMERICAN REPUBLICS.

DRAFT AGREEMENT FOR UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION: Statement by the Secretary of State. Revised Text as of September 20, 1943.

AGREEMENT REGARDING THE 1944 CUBAN SUGAR CRCP.

Other Publications

ISLAND PEOPLES OF THE WESTERN PACIFIC: MICRONESIA AND MELANESIA. Herbert W. Krieger. 1943. War Background Studies No. 16. 108 pp. Illus. A discussion of the discovery and early history of the islands of the South Seas, their geography and patterns of culture.

Available from: The Smithsonian Institution, Washington 25, D. C.

FREE CHINA'S NEW DEAL. Hubert Freyn. 1943. 295 pp. Price, \$2.50. The story of a nation brought low by war, yet, (Continued on p. 23)

National Foreign Trade Convention, New York City, October 25, 26, 27

The National Foreign Trade Convention—annual gathering to which the entire foreign-trading community of the United States looks forward invariably with keen anticipation—will be held this year in New York City, October 25 to 27, with headquarters at the Hotel Pennsylvania. Advance reservations, and the lively interest thus far manifested, give every promise that the sessions will be highly successful and worth while.

Speaking of this coming meeting, Eugene P. Thomas, Chairman of the National Foreign Trade Council, notes that "while all foreign traders are utilizing their full efforts in the aggressive prosecution of the war," it is most desirable that they should "avail of the opportunity of consulting together before the end of the war respecting plans for the future." Mr. Thomas stresses the fact that "it is of the highest importance to voice at this time [through such a gathering as this coming Foreign Trade Convention] the views of American industrialists and businessmen on the policies they conceive to be essential toward the ultimate coordination of domestic and international reconstruction planning."

Speakers selected for the Convention, Mr. Thomas emphasizes, are men thoroughly familiar with wartime and post-war foreign-trade problems, from the standpoints of both government and industry. Several prominent British businessmen have accepted the Council's invitation to attend the Convention, when an opportunity will be presented of exploring the possibilities of common ground of policy.

While the theme of the Convention, "Wartime Foreign Trade and the Reconstruction Problem," will permeate the entire proceedings, special attention to the main factors involved will be given by speakers at the Banking, Reconstruction, and General Sessions. Current problems will be discussed at the Wartime Export Forum and the Industrial Group Sessions, and the Educational Session promises an attractive program.

Wallace K. Harrison ("Chile Plans Low-Rent Homes"), well-known American architect, was born in Worcester, Mass. He attended the École des Beaux Arts in Paris and the American Academy in Rome. He has been successively a member of the architectural firms of Helmle, Corbett, and Harrison; Corbett, Harrison, and MacMurray; W. K. Harrison and J. A. Foulhoux. He has been Professor of Design in the Columbia School of Architecture, Associate Professor of Architecture at Yale, the Director and Architect of Rockefeller Center, and co-designer of the Trylon and Perisphere of the New York World's Fair. Mr. Harrison holds many important architectural posts, including that of a member of the Art Commission of the City of New York, trustee of the Museum of Modern Art, director of the New School of Social Research, member of the Architectural League, American Institute of Architects, National Academy of Design, Beaux-Arts Society of Architects, and other similar bodies. He is the author of "School Buildings of Today and Tomorrow."

Donald F. Heatherington ("British Plans for Post-War Full Employment").—Born Richmond, Vt., October 28, 1914. B. S. in Commerce from Washington and Lee University, Lexington, Va., 1937. M. A. from Yale University, 1939. Instructor in Economics and Business Administration, Rensselaer Polytechnic Institute, 1939-41. Entered Bureau of Foreign and Domestic Commerce in September 1942 on leave from Westbrook Junior College, Portland, Maine, where he is instructor in Social Science.

British Plans for Post-War Full Employment

(Continued from p. 13)

dom) can hope to pursue an economic policy directed toward full employment without taking into account the effects of such actions on other nations, and vice versa.

Limitations of space, here, do not permit an examination of the many problems in the international field which are closely related to the question of full employment. Sufficient to say that the adoption of any plan, or of a particular plan, must and will be conditioned by the policies followed with respect to the rest of the domestic and international economy.

New Books and Reports

(Continued from p. 22)

while fighting that war, seeking to rebuild and reshape itself. Parallel to the tale of China at war, runs the narrative of economic, social, and political changes. Falls into two principal divisions: The first relates the whole broad picture—the natural resources and their exploitation, recent industrial developments, social progress; the second discusses these and other subjects in relation to the conditions of the various Provinces, and the particular characteristics and needs of each.

Available from: The Macmillan Co., 60 Fifth Avenue, New York 11, N. Y.

THE TRUTH ABOUT SUGAR IN CUBA. Antonio Barro y Segura. 1943. 45 pp. Comprises suggested corrections to, and explanations of, the pamphlet "The Sugar Industry and Its Future," by Mr. Herminio Portell Vila. Attempts to shed light upon the subject of Cuba's sugar economy.

Available from: National Association of Sugar Mill Owners of Cuba, Zulueta No. 465, Habana, Cuba.

THE MIDDLE EAST: CROSSROADS OF HISTORY. Eliahu Ben-Horin. 1943. 248 pp. Price, \$3. Offers the reader an opportunity to familiarize himself with that region—the Middle East—which occupies a key position in the strategy of the war and in the post-war world. Discusses Arab nationalism, Pan-Arabism and Pan-Islamism, the Jewish problem and Zionism, the role of new Turkey in war and peace, the relations between the Russian and Middle Eastern fronts, imperialistic ambitions and sentimental attractions—all forming threads in the pattern of the Middle East.

Available from: W. W. Norton & Co., Inc., 70 Fifth Avenue, New York, N. Y.

POST-WAR PLANNING IN BRITAIN: UNOFFICIAL POST-WAR PLANNING, 1939-1943. British Information Services. 1943. 80 pp. Covers the war period in Britain from September 1939 to the end of January 1943. Recounts the work of the many unofficial organizations concerned with post-war planning under the following headings: International Planning; Relief and Rehabilitation; Industry and Economics; The Land—Town Planning—Housing and Amenities; Agriculture; Education; Medicine and Health; Science; The Churches. Discusses in the first section the steps taken by the British Government to set up machinery for planning.

Available gratis from: British Information Services, 30 Rockefeller Plaza, New York, N. Y.

JAPAN: A GEOGRAPHICAL VIEW. Guy-Harold Smith, Dorothy Good, and Shannon McCune. 1943. Special Publication No. 28. 104 pp. Presents a view of Japan at the outbreak of the present war. Contains information concerning the physical geography, resources, population, and economic life of the country, and points out connections between these basic conditions and the expansionism of Japanese military leaders. Includes maps and tables.

Latin American Exchange Rates

[Note.—Averages are based on actual selling rates for sight drafts on New York, in units of foreign currency, per dollar with the following exception: Cuba—United States dollars to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to the dollar.]

Country	Unit quoted	Type of exchange	Annual average rate		Latest available quotation		
			1941	1942	Rate	Approximate equivalent in U. S. currency	Date, 1943
Argentina	Paper peso	Official A.	3.73	3.73	3.73	\$0.2681	Aug. 28
		Official B.	4.23	4.23	4.23	.2364	Do.
		Bid.	4.88	4.94	4.94	.2024	Do.
		Free market.	4.24		4.00	.2500	Do.
Bolivia	Boliviano	Controlled.	43.38	46.48	42.42	.0236	Sept. 20
		Curb.	54.02	49.66	44.50	.0225	Do.
Brazil	Cruzeiro ¹	Official.	16.50	16.50	16.50	.0606	Sept. 1
		Free market.	19.72	19.64	19.63	.0609	Do.
		Special free market.	20.68	20.52	20.30	.0493	Do.
		Curb.	20.30				
Chile	Peso	Official.	19.37	19.37	19.37	.0516	July 31
		Export draft.	25.00	25.00	25.00	.0400	Do.
		Curb market.	31.78	31.75	31.90	.0313	Do.
		Free.	31.15	31.13	31.00	.0323	Do.
		Gold exchange.	31.15	31.13	31.00	.0233	Do.
		Mining dollar.	31.35	31.13	31.00	.0323	Do.
		Agricultural dollar.	31.15	31.13	31.00	.0323	Do.
		Controlled.	1.75	1.75	1.75	.5714	Aug. 31
Colombia	do.	Bank of Republic.	1.76	1.76	1.76	.5682	Do.
		Stabilization Fund.	(²)	(²)	(²)	(²)	Do.
		Curb.	1.86	1.77	1.75	.5714	Do.
		Uncontrolled.	5.85	5.71	5.64	.1773	Do.
Costa Rica	Colon	Controlled.	5.62	5.62	5.62	.1779	Do.
		Free.	.98	1.00	1.00	1.0000	Sept. 11
Ecuador	Sucro	Central Bank (Official).	15.00	14.39	14.10	.0709	July 20
Honduras	Lempira	Official.	2.04	2.04	2.04	.4902	Sept. 1
Mexico	Peso	Free.	4.86	4.85	4.85	.2062	Aug. 11
Nicaragua	Cordoba	Official.	5.00	5.00	5.15	.1941	Sept. 11
		Curb.	5.93		5.20	.1923	Do.
Paraguay	Paper peso	Official.		333.00	333.00	.0030	Sept. 3
Peru	Sol	Free.	6.50	6.50	6.50	.1538	Sept. 11
Salvador	Colon	do.	2.50	2.50	2.50	.4000	July 31
Uruguay	Peso	Controlled.	1.90	1.90	1.90	.5263	Aug. 31
		Free.	2.31	1.90	1.90	.5263	Do.
Venezuela	Bolivar	Controlled.	3.26	3.35	3.35	.2985	Sept. 4
		Free.	3.78	3.45	3.35	.2985	Do.

¹ Under law of October 6, 1942, the cruzeiro became the unit of currency, replacing the milreis. Since November 1, 1942, exchange quotations have been in terms of cruzeiros and centavos to the dollar.

² Established March 25.

³ For class 2 merchandise 1.795; class 3, 1.8; class 4, 1.96.

⁴ For class 2 merchandise, 1.765; class 3, 1.775; class 4, 1.785.

⁵ July 24-December 31.

NOTE.—Special rates apply to automotive equipment and agricultural machinery imported from the United States into Argentina.

Available from: American Geographical Society, Broadway at 156th Street, New York, N. Y.

THE CHANGING FAR EAST. William C. Johnstone. 1943. Headline Series No. 41. 96 pp. Price, 25 cents. Attempts to survey the development of the patterns of East-West relationships, now dislocated by Japan's conquests, and the changes produced, in an effort to understand the present war and to plan for the necessary period of reconstruction.

Available from: Foreign Policy Association, 22 East 38th Street, New York, N. Y.

CIRCUIT OF CONQUEST. Relman Morin. 1943. 361 pp. Price, \$3. A vivid, telling picture of the Far East—the Philippines, Java, Singapore, Malaya, Thailand, and Indochina—just before the Japanese onslaught. Discusses the quality of men, weapons, and spirit of the peoples who were subsequently overrun by the Japanese.

Available from: Alfred A. Knopf, Inc., 501 Madison Avenue, New York, N. Y.

British Columbia's Mineral Production

The value of mineral production in British Columbia, Canada, dropped from \$78,479,719 in 1941 to \$75,551,093 in 1942, says a report of the Provincial Minister of Mines.

Gold production dropped in value from \$21,000,000 in 1941 to \$17,000,000 in 1942. The decline in 1943 will doubtless be accentuated by the scheduled closing in September (just past) of the Privateer Mine, Ltd., near Zeballos, Vancouver Island.

Figures recently released show that corporation financing at Rio de Janeiro, Brazil, during the month of May was more active than during April—the totals having been 46,240,000 cruzeiros and 39,760,000 cruzeiros, respectively. More than half the new issues were made by industrial and commercial concerns.

Trade Mark Applications

Uruguay.—The following applications for trade-mark registration were published in the *Diario Oficial* of Montevideo, on the dates noted. Opposition must be filed within 30 days from the date of publication:

Trade-mark	Product	Date of publication
Solvil.....	Jewelry and watches....	Sept. 13-18, 1943.
Proloid.....	Drugstore and chemical products.	Do.
Tedral.....	do.....	Do.
Depancol.....	do.....	Do.
Ditis.....	Jewelry and watches....	Do.
Titus.....	do.....	Do.
Brunner.....	Hardware and bazaar goods, electric.	Do.
Dentex.....	Perfumery and toilet....	Do.
Gibbs.....	do.....	Do.
Marvin.....	Jewelry and watches....	Do.
Cotillon Room.....	Groceries, foodstuffs, beverages.	Do.
Slate.....	Paints and varnishes...	Do.

Colombia.—The following applications for trade-mark registration were published in the *Diario Oficial* on the dates noted. Opposition to the registration of these trade-marks must be made in Colombia within 30 days from the date of the third and last printing:

Trade-mark	Commodity	Date of publication
O v a r g l a n , Cardiocanf, Urquimin, Hep- tamina, Tex- bromyl, Formia- phyl, Gastronol, Olan-Hor-Tex.	Commercial names to distinguish substances and products used in medicine, pharmacy, veterinary, hygiene, perfumery, and toiletries, natural or prepared drugs, mineral water, wines and medicinal tonics, antiseptics, soaps and medicinal oils; medicinal products, extracts and essences; veterinary products and in many other uses. (See enclosure.)	Aug. 21, 1943 (First printing).
Coblan.....	Commercial name to distinguish all pharmaceutical products included in class 2, noted in Decree 1707, 1931.	Do.
Radio "La Victoria".	To distinguish certain broadcasting hours used for commercial advertising.	Do.
Ingenio La Providencia.	To distinguish foodstuffs or substances employed in food, especially sugar and its by-products.	Do.
Club Soda.....	Commercial name to distinguish alcohol nonmedicinal, alcoholic or nonalcoholic beverages such as: wines, cider, beer, spirituous liquor, bitter drinks, absinthe, sirup, soda, mineral water, fruit juices, appetizers, soft drinks, included in class 23 of Decree 1707, 1931.	Do.

Trade-mark	Commodity	Date of publication
Ranchero, Cosaco, Isabel, Julieta, Ailberto, Numero 8, Telino, Cometa, Campeon, Nuevo Rosita, Hortensia, Silvia, Camisero, Equiz, Blancanieves, Gerdenia, Conde, Arabe, Begonia, Farina, Magnolia, Mireya, Diamante, Superior C), Rosalia, Jazmin, Albeli.	Commercial names to distinguish woven goods, fabrics made of wool, silk, linen, cotton, jute and other vegetable fibers, included in class 15, noted in Decree 1707, 1931.	Aug. 21, 1943 (First printing).
BB, Borbon, Marino, Volrivi, Brillante, Camelia, Caiman, Perla, Mariela, Dandy.	Commercial names to distinguish fabrics made of wool, silk, linen, cotton, jute, or made of any blend of the above, included in class 15, noted in Decree 1707, 1931.	Do.
Brylfix, Brylcreem.	To distinguish toiletries, hair preparations, included in class 2, noted in Decree 1707, 1931.	Do.
Relampago.....	Commercial name to distinguish soaps, included in class 2 of Decree 1707, 1931.	Do.
Farmacia Oriental.	Commercial name to distinguish drug stores.	Do.
Esteve, Neo-Spritol, Cromo-Sulfel, Mafarsamina.	To distinguish pharmaceutical products, hygienic, veterinary, perfumery and toiletries. The word Esteve is to be used exclusively to distinguish drug stores, laboratories, and stores.	Do.
Coronas.....	Commercial name to distinguish cigarette and cigar factories, cigar stores, and general smoking products.	Do.
El Salon Blanco...	Commercial name to distinguish establishments engaged in the purchase and sale of domestic and foreign products, such as: Canned goods, liquors and allied lines, included in class 14, noted in Decree 1707, 1931.	Do.
Urusal, Laxante Salino Efervescente, Laburisal, Laboratorios Urusal de Domingo Jacome, Barranquilla.	Commercial trademark to distinguish laboratories, drug stores, apothecary's shops, and general pharmaceutical products used in.	Do.
Surata, Marca Registrada, Bucaramanga.	Commercial trademark to distinguish wheat mills, wheat flour factories, wheat flour stores and warehouses.	Do.
Hotel Parado Club Moyses.	To distinguish clubs, hotels, tea parlors, and establishments of a similar nature.	Do.
Miramar.....	To distinguish bars, cafes, restaurants, tea parlors, clubs, hotels, associations, candy and ice-cream stores, bakeries.	Do.

Trade-mark	Commodity	Date of publication
Hotel Victoria.....	Commercial name to distinguish hotel, included in class 14 (commercial names and signs, etc.) noted in Decree 1707, 1931.	Aug. 21, 1943 (First printing).
Codylu.....	Commercial name to distinguish establishments engaged in cabinet making, carpentry, upholstery, mattress making, decorating and furniture factories.	Do.
Catalax.....	Commercial name to distinguish hosiery, woven articles, fabrics, table linen, linen goods, men's and women's clothing and accessories for same, shoes, hats, bonnets, gloves, corsets, bags and general leather goods, neckties, umbrellas, walking canes; also to distinguish stores, clubs, associations etc., engaged in the manufacture or sale of clothing, textile products, men's and women's wear, etc., included in class 15, 16, and 14, respectively, noted in Decree 1707, 1931.	Do.
Queso Estilo, Plymouth, Ubate.	Commercial trademark to distinguish cheese, included in class 22, noted in Decree 1707, 1931.	Do.
Sodil.....	Commercial name to distinguish antiseptic substances, insecticides, material for cleaning metals, floors, wood, fabrics, and many other items. (See enclosure.)	Do.
An-Odor Placima Pepsina (Ulcusan).	Commercial name to distinguish pharmaceutical products.	Do.
Casa Romington...	To distinguish stores engaged in the sale of stationery, books, and allied lines.	Do.
Miel Pura de Abejas Garantizada.	Commercial name to distinguish a special quality of honey.	Do.
Agulla Roja.....	Commercial name to distinguish paints, varnishes, painter's oil and turpentine, artist's brushes, paint, brushes, filling paste, wall-paper, insulating paper, rope and cord made of fibre or hair, transmission bands, baskets and similar articles.	Do.
Farmetal.....	To distinguish furniture and metal products; also establishments engaged in the manufacture and sale of same.	Do.
Textiles Monterrey.	To distinguish general textiles such as silk fabrics, woven silk, wool or cotton products, woven fabrics made of wool, cotton, jute, linen, fibre, nylon, rayon, etc. and many other items. (See enclosure.)	Do.

BUY U. S. WAR BONDS AND STAMPS

Trade mark	Commodity	Date of publication
Almacen Monterrey.	To distinguish establishments engaged principally in the purchase and sale of liquors, canned goods, cigars and cigarettes; also to be used on letterheads, invoices, wrapping paper, boxes, and containers used for packing articles sold in such establishments.	Aug. 21, 1943 (First printing).
El Cristal	To distinguish agencies established for the purpose of servicing window cleaning, waxing, polishing and cleaning of floors, putting out lights in show windows and closing of steel folding doors in commercial establishments.	Do.
Kodacolor, Kodagraph, Kodatrace.	Commercial names to distinguish chemical substances used in photography, such as plates, paper and photographic films, motion-picture films, chemical substances used in photography. Photographic impressions, reproductions and enlargements; photographic equipment and supplies; electric light bulbs, and acetate cellulose sheets.	Do.
Ottone, Peters Hermanos, El Lacrado.	These commercial names to be used to distinguish nonmedicinal alcoholic or nonalcoholic beverages and alcohol.	Do.
Alcario Urbe, Omega Urbe.	Commercial names used to distinguish coffee ovens for restaurants, bars, hotels, etc., and similar machines, included in class 5, noted in Decree 1707, 1931.	Do.
Dory	Commercial name to distinguish products used in perfumery and toiletries, creams, soaps, etc., included in class 2, of Decree 1707, 1931.	Do.
Broadway	Commercial name for ice cream, ices, feed fruit juices, and all kinds of food vegetable foodstuffs, such as: coffee, and chocolate; also soft drinks, etc., included in classes 22 and 23 of Decree 1707, 1943.	Do.
Standard Black Tea, Trade Mark, Aromatic-Delectious.	Commercial trademark to distinguish tea.	Do.

Trade-mark	Commodity	Date of publication
Labopostin, Artaz.	Commercial name for pharmaceutical products used in medicine and veterinary, included in class 2 of Decree 1707, 1943.	Aug. 21, 1943 (First printing).
Top	Commercial monogram to distinguish chemical substances used in industry, photography and scientific research; in agricultural and horticultural work; anticorrosive material, insecticides, cleaning material for metal, floors, wood, fabrics, etc., substances and products used in medicine, pharmacy, veterinary, hygiene, perfumery, toiletries, drugs, mineral water, medicinal wines and tonics.	Do.
Estrella	Commercial name to distinguish chocolates, included in class 22, noted in Decree 1707, 1931.	Do.
Vitacolin	Commercial name for pharmaceutical products, included in class 2, noted in Decree 1707, 1931.	Do.
Galenyl	Commercial name to distinguish pharmaceutical products for the treatment of gripe, bronchitis, laryngitis, pneumonia, bronchopneumonia, pulmonary tuberculosis, and in general to be used as a pulmonary antiseptic.	Do.
Quinocitol, A Lactoforina.	Commercial names for substances and products used in medicine, pharmacy, veterinary, hygiene, perfumery, toiletries, drugs, mineral water, medicinal wines and tonics.	Do.

Argentina.—The following applications for trade-mark registration were published in the Boletín Oficial of September 14, 1943. Opposition must be filed before October 18, 1943:

Trade-mark	Class No. and Commodity
Vesta	No. 3—Entire class.
Fortuna	No. 22—Entire class.
Regente	No. 18—Entire class.
Winfield	No. 20—Entire class.
Tex	No. 14—Entire class.

Chile.—The following applications for trade-mark registration were published

in the Diario Oficial de Santiago. Opposition must be filed within 30 days from the date of publication:

Trade-mark	Class No. and product	Date of publication
Marvelin	No. 20—Adhesives, paints, varnishes, pastes.	Sept. 15, 1943
Tispollin, Sunshine.	No. 21—Soap and preparations for washing and cleaning.	Do.
Polar Cub	No. 32—Heating, lighting, and ventilation apparatus, etc.	Do.
Deep-Freeze	No. 34—Refrigerators, filters, apparatus for making ice and ice cream.	Do.
Dayton	No. 36—Machinery and vehicles.	Do.
Princeton	No. 46—Bedclothes, mattresses, etc.	Do.
Bambi	No. 60—Footwear.	Do.
Bamby	No. 72—Sporting apparatus and articles, games, and toys.	Do.
Dioseptil, Tep, Mardaran, Onton, Phosphoronal, B, Brandreth's Pills, Unguento Begia, Unguento Betimón, Unguento Bobigon, Dinetat Labomed, Labotal Labomed, Ebonal Labomed.	No. 75—Chemical and pharmaceutical products.	Do.

Panama.—The following applications for trade-mark registrations were published in the Gaceta Oficial on the dates noted. Opposition must be made within 90 days from the date of publication:

Trade-mark	Commodity	Publication date
Nylo-Flight	Tires composed principally of rubber for airplanes and lighter-than-air aircraft.	Sept. 3, 1943
Ron Tigre	Rum	Do.
Ron Americano	do	Do.
Martin, U. S. A.	Heavier-than-air aircraft.	Do.
Demerol	Pharmaceutical and medicinal preparations, disinfectants, veterinary products, toilet articles, perfumery, etc.	Sept. 8, 1943
Tapal	do	Do.
Glyvarsenyl	do	Do.

Under the regulations for the sale of window glass in Serbia (now partly Nazi-dominated) purchasers are required to turn in old glass amounting to 3 percent of the purchase. All stocks in excess of 50 cubic meters must be declared.



WORK WILL WIN



U. S. Export Control and Related Announcements

Developments communicated to the Trade Controls Unit up to Tuesday, October 5, 1943.

No. 492.—Current Export Bulletin No. 125.

The Office of Exports has issued Current Export Bulletin No. 125 on the following subject:

Commodities Exportable Under General License to Group K Destinations—Supplementary to Current Export Bulletin No. 124 (Announcement 491 in Foreign Commerce Weekly for October 2).

A. Effective October 1, 1943, the following listed commodities are exportable under general license to the sixteen Latin American Republics listed in paragraph A-2 of Current Export Bulletin Number 124 as well as to other destinations in Group K. However, the symbol K-3 (K minus 3) or K-17 (K minus 17) indicates that the commodity may not be exported under general license to Cuba (3) or Mexico (17). In addition to these commodities, a group, newly available in increased supply is made exportable under general license to all Group K destinations. These are listed in part B of this bulletin.

Commodity	Department of Commerce Schedule B number	General license group
Animals and animal products:		
Horses, for breeding.....	0900.00	K
Horses, other.....	0901.00	K
Live animals, n. e. s. (include goats and fur-bearing animals).....	0909.00	K
Mules, asses and burros.....	0903.00	K
Shells, mother-of-pearl, unmanufactured.....	0909.23	K
Shells, other unmanufactured.....	0909.25	K
Art works:		
Paintings, etchings, engravings, statuary and antiques (include valuable manuscripts) (report plaster of paris statuary in 5437).....	0610.00	K-17
Beverages:		
Mineral waters, natural and artificial.....	1761.00	K
Rum.....	1714.00	K
Whiskey.....	1716.00	K
Wines.....	1750.00	K
Beverages, other.....	1780.00	K
Liquors, distilled and compounds containing spirits, other.....	1719.00	K
Books, Maps, Pictures and Other Printed Matter—See part N, General License G-Pub, page 88, Comprehensive Export Schedule No. 12:		
Books, bound, other.....	0512.00	
Books, text, bound educational.....	0510.00	
Books, unbound to sheets.....	0514.00	
Calendars, printed or unprinted.....	0560.00	
Cards, playing.....	0565.00	(1)
Catalogs and pamphlets.....	0518.00	
Currency, bank notes and uncanceled revenue stamps (coins classified according to composition).....	0569.98	
Lithographically printed matter.....	0563.00	
Maps and charts, geographic.....	0522.00	
Music in books and sheets.....	0523.00	(1)
Newspapers, current (report over-issue and old newspaper in 4722).....	0553.00	
Periodicals.....	0555.00	

¹ Group K unless classified as technical data. See pages 145 et seq., Comprehensive Export Schedule No. 12.

Commodity	Department of Commerce Schedule B number	General license group
Lithographically printed matter—Continued:		
Plans and specifications for aircraft, photographs and blueprints.....	9550.01	
Plans and specifications for aircraft, printed.....	9569.01	(1)
Plans and specifications for manufacturing of aviation gasoline, photographs and blueprints.....	9550.05	(1)
Plans and specifications for manufacturing of aviation gasoline printed.....	9569.05	(1)
Plans and specifications for manufacturing of aviation lubricating oil, photographs and blueprints.....	9550.06	(1)
Plans and specifications for manufacturing of aviation lubricating oil, printed.....	9569.06	(1)
Plans and specifications for manufacturing of tetraethyl lead, photographs and blueprints.....	9550.07	(1)
Plans and specifications for manufacturing of tetraethyl lead, printed.....	9569.07	(1)
Photographs and blueprints, n. e. s.....	9550.98	
Other printed matter, n. e. s.....	9569.98	
Buttons:		
Buttons and button parts of cellulose compounds, galalith, and other compounds.....	9711.00	K
Buttons and parts of pearl or shell (include fresh water and ocean pearl buttons).....	9712.50	K
Cement, Lime and Stone:		
Concrete and cement manufactures (include cement building blocks).....	5170.00	K-17
Lime.....	5171.00	K
Marble and other building and monumental stone, rough or dressed (include limestone and granite).....	5101.00	K
Standard portland hydraulic cement.....	5164.00	K
White nonstaining and other hydraulic cement.....	5165.00	K
Manufactures of stone, n. e. s. (include manufactures of marble, limestone, breccia, and onyx).....	5127.00	K
Chemicals:		
Flavoring extracts, natural, n. e. s.....	8295.50	K
Licorice extract and mass.....	8289.50	K
Polishes, automobile.....	8294.00	K
Polishes, and shoe cleaners.....	8291.00	K
Polishes, metal and stove.....	8290.00	K
Polishes, wood, furniture, and floor wax.....	8293.00	K
Sodium chloride (salt).....	8724.00	K
Sodium metaborate.....	8382.27	K
Sulphur (crude).....	5714.00	K
Sulphur (crushed, ground, refined, sublimed, flowers).....	5715.00	K
Tobacco snuffing or extract used for flavoring tobacco.....	8234.00	K
Vanilla.....	8060.00	K
Clay and Clay Products:		
Clay roofing tile, structural clay and hollow tiles, sewer pipe and conduits.....	5379.05	K
Earthen floor and wall tiles.....	5370.00	K
Fire clay.....	5303.00	K
Fire clay brick, standard 9-inch series.....	5366.00	K
Fire clay brick, all other shapes (reduced to 9-inch equivalent).....	5367.00	K
Silica brick, standard 9-inch series.....	5303.00	K
Silica brick, other shapes (reduced to 9-inch equivalent).....	5364.00	K
Table and kitchen articles and utensils.....	5320.00	K
Bricks, n. e. s.....	5369.00	K
Firebricks, n. e. s. (include refractory bricks and shapers).....	5368.00	K
Pottery, n. e. s. (include stoneware, clay crucibles, and ornamental and decorative articles—vases, lamp bases, etc.).....	5338.00	K
Terra-cotta and ceramic manufactures, n. e. s.....	5379.98	

See footnote 1 in preceding column.

Commodity	Department of Commerce Schedule B number	General license group
Cotton, Unmanufactured:		
Upland, staple length $1\frac{1}{4}$ " and over (U. S. official standard).....	3002.06, 3002.05	K
Upland, staple length $1\frac{1}{4}$ " up to but not including $1\frac{1}{2}$ " (U. S. official standard).....	3002.02, 3003.01	K
Upland, staple length under $1\frac{1}{4}$ " (U. S. official standard).....	3003.06, 3003.05	K
Fodders and Feeds:		
Babassu cake and meal.....	1123.00	K
Coconut oil cake and meal.....	1119.00, 1129.98	K
Copra oil cake and oil cake meal.....	1129.05	K
Cottonseed cake.....	1115.00	K
Cottonseed meal.....	1121.00	K
Dairy and poultry feeds, mixed (include calf manna).....	1180.00	K
Feeds, prepared and mixed (include dried buttermilk), n. e. s.....	1185.00	K
Feeds, n. e. s. (include apple pomace).....	1190.00	K
Fish meal for feed.....	1140.00	K
Hay.....	1101.00	K
Hempseed oil cake and meal.....	1119.00, 1120.98	K
Linseed cake.....	1115.00	K
Linseed meal.....	1122.00	K
Oil cake, n. e. s.....	1119.00	K
Oil cake meal, n. e. s.....	1129.98	K
Oyster shells.....	1182.00	K
Soybean oil cake meal.....	1124.00	K
Wheat feeds, bran, middlings, etc.....	1190.00	K
Furs and Manufactures:		
Coney rabbit and hare, undressed.....	0729.01	K
Civet cat, undressed.....	0711.00	K
Ermine and weasel, undressed.....	0729.03	K
Fitch and Kolinski, undressed.....	0729.05	K
Fox, red, undressed.....	0714.00	K
Fox, silver and black, dressed or dyed.....	0733.00	K
Fox, silver and black, undressed.....	0713.00	K
Fox, undressed, n. e. s.....	0716.00	K
Fur seal, dressed or dyed.....	0744.00	K
Fur waste, fur pieces, and damaged fur skins.....	0758.00	K
Fur wearing apparel.....	0753.00	K
Lamb and sheep, dressed or dyed.....	0749.03	K
Lamb, kid, sheep, and goat, undressed.....	0729.08	K
Mink, undressed.....	0725.00	K
Muskrat, dressed or dyed.....	0737.00	K
Muskrat, Northern, undressed.....	0718.00	K
Muskrat, Southern, undressed.....	0719.00	K
Opossum, undressed.....	0723.00	K
Raccoon, undressed.....	0721.00	K
Skunk, undressed.....	0722.00	K
Dressed or dyed furs, n. e. s.....	0749.98	K
Fur manufactures, n. e. s. (include plates, collars, and cuffs).....	0759.00	K
Furs, undressed, n. e. s.....	0729.98	K
Glass and Glass Products:		
Cylinder, crown and sheet glass.....	5215.00	K
Globes and shades for lighting fixtures.....	5261.00	K
Lamp chimneys and lantern globes.....	5256.00	K
Plate glass (include standard and tempered safety).....	5212.00	K
Roller, cylinder, crown and sheet glass, obscured by coloring prior to solidification, not less than $\frac{1}{4}$ " thickness.....	5220.00	K
Roller glass (including standard and wire).....	5218.00	K-17
Table glass ware, n. e. s., plain, cut, engraved.....	5239.10, 5239.20	K
Tumblers, drinking glasses and stoneware, plain, cut, engraved or otherwise decorated (include barware).....	5237.20, 5237.10	K
Glass, n. e. s. (including flat glass specialties, mirrors and glass bricks, but excluding ophthalmic glass).....	5230.98	K-17
Glassware, n. e. s. (include glass wool).....	5290.00	K-17
Laminated glass manufactures, n. e. s.....	5217.90	K
Grains and Preparations:		
Biscuits and crackers.....	1078.00	K
Buckwheat (bu. 48 lbs.).....	1021.00	K
Cereal foods, n. e. s.....	1096.00	K
Corn (bu. 56 lbs.).....	1031.00	K
Corn cereal foods, ready to eat.....	1037.00	K
Corn flour.....	2811.00	K
Cornmeal (bbl. 106 lbs.).....	1032.00	K
Hominy and corn grits.....	1033.00	K
Kafir and milo (bu. 56 lbs.).....	1036.00	K

¹ Ophthalmic glass, B-6239.98, requires an individual license for exportation to all destinations.

Commodity	Department of Commerce Schedule B number	General license group
Grains and Preparations—Contd.		
Maccaroni, spaghetti, noodles, vermicelli and macaroni products	1077.00	K
Oatmeal, groats and rolled oats, in bulk	1043.00	K
Oatmeal, groats and rolled oats, in packages	1044.00	K
Oats (bu. 32 lbs.)	1041.00	K
Other grains and preparations	1090.00	K
Rye (bu. 56 lbs.)	1061.00	K
Wheat (bu. 60 lbs.)	1071.00	K
Wheat cereal foods, ready to eat (include wheat germs)	1080.00	K
Wheat cereal foods, to be cooked	1081.00	K
Wheat flour, other (bbl. 196 lbs.)	1074.00	K & V
Wheat flour, wholly of U. S. wheat (bbl. 196 lbs.)	1073.00	K & V
Wheat semolina	1090.00	K
Gypsum		
Calcines (plaster of paris) (include anhydrous calcium sulfate)	5484.00	K
Crude, crushed or ground	5483.00	K
Plaster board and wall board	5485.00	K
Gypsum, n. e. s.	5487.00	K
Hair and Manufactures:		
Hair felt and manufactures (include rug cushions and carpet linings)	3697.00	K
Hair waste and scrap hair	3696.50	K
Hair manufactures, n. e. s., (include curled hair, hair press cloth, hair nets, toupees, and wigs)	3699.00	K
Hair, unmanufactured, n. e. s. (include goat, badger, bear, and other hair, but excluding human hair)	3896.90	K
Jewelry:		
Articles of other materials (synthetic resin, cellulose compounds, etc.) (include cigarette cases, pocket cigar and cigarette lighters, compacts, powder and vanity cases)	9629.00	K-17
Jewelry, men's, of other materials (synthetic resin, cellulose compounds, etc.) (include rings, collar and cuff buttons, studs, tie-clips and holders, watch chains, watch bracelets and stickpins)	9627.00	K-17
Jewelry, women's, of other materials (synthetic resin, cellulose compounds, etc.) (include rings, bracelets, bar pins, brooches, necklaces, and earrings)	9268.00	K-17
Lamps and Illuminating Devices, Nonelectric:		
Incandescent mantles	9791.00	K
Leather:		
Case, bag, and strap	0350.00	K
Glove and garment	0339.00	K
Pig and Hog glove and garment	0338.00	K
Reptilian and aquatic	0357.00	K
Sheep and lamb glove and garment	0336.00	K
Leather Manufactures:		
Belts, leather	0697.10	K
Belts, other than leather (except plastic)	0697.90	K
Boots, shoes and footwear other than leather soled	0656.90	K
Card cases, purses, wallets, etc.	0692.00	K
Card cases, change purses, wallets and similar articles, n. e. s.	0693.00	K
Gloves and mittens	0672.00	K
Handbags, pocketbooks, and purses, women's and children's	0688.00	K
Handbags, pocketbooks, and purses, women's and children's other than leather	0689.00	K
Luggage and related articles, leather	0695.10	K
Luggage and related articles of other materials	0695.90	K
Wearing apparel, leather	0698.00	K
Leather manufactures, n. e. s.	0699.00	K-17
Meat Products:		
Horse meat	0022.00	K
Poultry and game, fresh	0040.00	K
Miscellaneous:		
Beads and articles	9840.05	K-17
Blankets and bedding exported for relief or charity	9998.30	K
Clothing exported for relief or charity	9998.20	K
Food exported for relief or charity	9998.10	K
Commodities exported for relief or charity, n. e. s.	9998.90	K
Roofing material, n. e. s.	9699.00	K
Surgical, sanitary, and hospital equipment and supplies exported for relief or charity	9998.50	K
Trunks	9860.00	K

* Human hair, B-3896.00, exportable under general license to Iceland, only.

Commodity	Department of Commerce Schedule B number	General license group
Naval Stores:		
Gum spirits of turpentine	2114.00	K-3
Rosin gum	2110.00	K-3
Rosin wood	2111.00	K-3
Tar and pitch of wood	2118.00	K-3
Wood turpentine	2113.10	K-3
Terpene hydrocarbons, n. e. s.	2118.10	K-3
Nonmetallic Minerals:		
Salt	5724.00	K
Selenium	5960.98	K
Nursery and Greenhouse Stock:		
Bulbs, roots, corms, plants, and seedlings	2509.05	K
Flowers and foliage, cut, fresh, and preserved	2535.00	K
Nursery or greenhouse stock, n. e. s. (include fruit-tree stock and cuttings)	2590.98	K
Office Supplies, Miscellaneous:		
Crayons	9306.00	K
Paste and mucilage, n. e. s.	9391.00	K
Paper and Related Products:		
Newsprint paper	4711.00	K & V
Photographic and Projection Goods—See provisions of General License GPF, Comprehensive Export Schedule No. 12, page 87, Part J:		
Motion-picture film, exposed, negative features 35 mm. (4,000 lin. ft. or +)	9121.20	
Motion-picture film, exposed, negative features, 16 mm. (1,600 lin. ft. or +)	9121.21	
Motion-picture film, exposed, negative, short subjects, 35 mm. (less than 4,000 lin. ft.)	9121.30	
Motion-picture film, exposed, negative, short subjects, 16 mm. (less than 1,600 lin. ft.)	9121.31	
Motion-picture film, exposed, negative 8 mm.	9121.40	
Motion-picture film, exposed, negative, newsreels	9121.41	
Motion-picture film, exposed, negative, sound track	9121.60	
Motion-picture film, exposed, negative, trailers, inserts and replacements	9121.61	
Motion-picture film, exposed, positive features, 35 mm. (4,000 lin. ft. or +)	9121.91	
Motion-picture film, exposed, positive features, 16 mm. (1,600 lin. ft. or +)	9121.70	
Motion-picture film, exposed, positive 8 mm.	9121.71	
Motion-picture film, exposed, positive, newsreels	9121.77	
Motion-picture film, exposed, positive, short subjects (less than 4,000 lin. ft.)	9122.00	
Motion-picture film, exposed, positive, short subjects (less than 1,600 lin. ft.)	9122.01	
Motion-picture film, exposed, positive, sound track	9121.80	
Motion-picture film, exposed, positive, trailers, inserts and replacements	9121.81	
Motion-picture film, exposed, positive, short subjects (less than 1,600 lin. ft.)	9123.20	
Motion-picture film, exposed, positive, short subjects (less than 4,000 lin. ft.)	9123.21	
Motion-picture film, exposed, positive, sound track	9123.30	
Motion-picture film, exposed, positive, trailers, inserts and replacements	9123.31	
Motion-picture film, exposed, positive 8 mm.	9123.90	
Motion-picture film, exposed, positive, newsreels	9123.91	
Motion-picture film, exposed, positive, short subjects (less than 4,000 lin. ft.)	9123.70	
Motion-picture film, exposed, positive, short subjects (less than 1,600 lin. ft.)	9123.71	
Motion-picture film, exposed, positive, sound track	9123.40	
Motion-picture film, exposed, positive, trailers, inserts and replacements	9123.41	
Motion-picture film, exposed, positive, short subjects (less than 1,600 lin. ft.)	9123.60	
Motion-picture film, exposed, positive, short subjects (less than 4,000 lin. ft.)	9123.61	
Motion-picture film, exposed, positive, sound track	9124.00	
Motion-picture film, exposed, positive, trailers, inserts and replacements	9124.01	
Motion-picture film, exposed, positive, short subjects (less than 1,600 lin. ft.)	9123.80	
Motion-picture film, exposed, positive, short subjects (less than 4,000 lin. ft.)	9123.81	
Salt	5724.00	K
Scientific and Professional Instruments and Apparatus:		
Teeth, artificial	9152.00	K-1
Sulphur:		
Crude	5714.00	K
Crushed, ground, refined, sublimed and flowers	5715.00	K
Textile Products:		
Artificial or ornamental flowers, fruits, vegetables, grasses, grains, leaves, stems, or parts thereof, of all materials (include the foregoing articles manufactured of paper, tinsel, glass, wire, lame, beads, bugles, spangles, as well as textiles)	3963.00	K

**Wartime
Shortcuts and Savings will
Pay Profits After the Victory**

Commodity	Department of Commerce Schedule B number	General license group
Textile Products—Continued.		
Hat braids, strips and sheets of natural fibers or synthetic textiles	3940.00	K
Hats, caps, and berets, other, knit or crocheted	3957.00	K
Hats, caps, and berets, other of woven fabric	3958.00	K
Hat and hat bodies of straw, palm leaf, etc., harvest	3942.00	K
Hat and hat bodies of straw, palm leaf, etc., other sewed	3944.00	K
Hat and hat bodies of straw, palm leaf, etc., fur-felt	3945.00	K
Hats, men's fur-felt	3951.00	K
Neckties, cravats, mufflers, and scarfs, except silk	3928.00	K
Starch filled book cloth	3914.20	K
Window-shade cloth	3913.00	K
Women's and girls' fur-felt hats (include fur-felt berets, bonnets, hoods, and hat bodies)	3952.00	K
Wool-felt hats (include bodies)	3953.00	K-17
Textile manufactures, n. e. s. (include second-hand clothing, hat trimmings)	3990.00	K-17
Toilet Preparations:		
Cold creams	8740.00	K
Cosmetics, n. e. s.	8757.00	K
Dental creams	8784.00	K
Dentifrices, n. e. s.	8735.00	K
Depilatories and deodorants	8762.00	K
Face and compact powder	8742.00	K
Hair preparations (include shampoos, tonics, dyes, pomades, dressings, etc.)	8765.00	K
Lip sticks	8756.00	K
Lotions, creams, and balms, n. e. s.	8762.00	K
Manicuring preparations	8759.00	K
Rouges (cosmetic)	8753.00	K
Talcum powder in packages	8740.00	K
Toilet preparations, n. e. s. (include bath salts, bleaches, astringents, and similar preparations)	8770.00	K
Vanishing creams	8761.00	K
Toys, Athletic and Sporting Goods:		
Amusement park and playground devices and parts	9450.00	K-17
Billiard tables and accessories	9445.00	K
Children's wheel goods and parts	9405.00	K-17
Dolls and parts	9400.00	K-17
Fishing rods	9420.00	K
Fishing reels	9421.00	K-17
Fishing tackle and parts, n. e. s.	9422.00	K-17
Foot, basket, base, tennis, and other balls	9434.00	K
Golf balls	9433.00	K
Golf clubs	9436.00	K-17
Ice skates	9440.00	K-17
Roller skates	9441.00	K-17
Toys and parts, mechanical	9408.00	K
Toys, not mechanical, of metal	9409.00	K
Toys, not mechanical, of wood	9410.00	K
Toys and parts, n. e. s. (except rubber)	9418.00	K
Athletic and sporting goods, n. e. s.	9449.00	K-17
Vegetables and preparations:		
Beans, fresh	1207.00	K
Farinaceous substances	1250.05	K
Mayonnaise and salad dressings	1252.10	K
Olives (include green, ripe, stuffed or pickled in bottles, cans, kegs, or barrels)	1252.95	K
Peas, green	1209.00	K
Peppers	1210.00	K
Sauces and relishes	1262.98	K
Tomatoes	1213.00	K
Vegetables, fresh, other	1224.00	K
Vegetable Products—Miscellaneous:		
Broomcorn	2931.00	K
Brooms	2935.00	K
Wool:		
Bathing suits	3675.00	K
Knit wearing apparel, n. e. s.	3679.00	K
Overcoats, suits, and pants, boys'	3680.98	K
Overcoats, suits and pants, men's	3680.05	K
Women's and children's clothing	3681.00	K
Wool or mohair manufactures, n. e. s.	3689.00	K

B. The increased availability of certain additional commodities, hitherto in restricted supply, enables the Office of Exports to permit exportation under general license of these articles and materials also to Group K countries effective October 1, 1943. Consequently, the submission of an individual license application is no longer required for

any of the commodities listed hereunder if the shipment is destined to one of the sixteen Latin American Republics listed in paragraph A-2 of Bulletin 124 or to one of the destinations included in Group K, page 76 Comprehensive Export Schedule No. 12.

Commodity	Department of Commerce Schedule B number	General license group, old	General license group, new
Asbestos:			
Cement sheets ¹	5459.98	62	K
Short fiber	5451.98	62	K
Asphalt:			
Laminated board ²	5471.00	62	K
Chemicals:			
Ammonium borate	8362.21	62	K
Boracite	8362.11	62	K
Borates, n. e. s.	8362.98	62	K
Borax (sodium tetraborate)	8362.29	62	K
Borax glass	8362.22	62	K
Boric acid	8362.00	62	K
Boron oxide	8362.23	62	K
Boron sesquioxide	8362.25	62	K
Camphor (synthetic) ³	8329.95	62	K
Caustic soda (sodium hydroxide)	8373.00	62	K
Colemanite	8362.12	62	K
Kerite	8362.13	62	K
Lye in small containers ⁴	8379.98	62	K
Manganese borate	8362.28	62	K
Muriatic acid	8307.00	62	K
Nitrogenous organic waste materials (include fish meal, hoof meal, guano, castor-bean, pomace, manures, packing house offal, intended for fertilizer)	8510.00	none	K
	8515.10		
	8515.20		
	8515.60		
	8515.90		
Phosphate rock	8362.15	62	K
Priscite	8362.16	62	K
Rasorite	8362.17	62	K
Sassolite	8379.98	62	K
Salt cake (sodium sulphate) ⁵	8365.00	62	K
Soda ash (sodium carbonate)	8367.00	62	K
Sodium bicarbonate	8378.00	62	K
Sodium hydroxide (caustic soda)	8379.98	62	K
Sodium silicofluoride ⁶	8362.29	62	K
Sodium tetraborate (borax, sodium borate)	8362.19	62	K
Ulexite	8398.90	62	K
Witherite (natural barium carbonate)			
Clay and Clay Products:			
Clay, n. e. s. (include fuller's earth)	5309.00	62	K
Cork and Manufactures:			
Cork insulation ⁷	4306.00	None	K
Cork wood or bark unmanufactured (include cork waste, shavings, and refuse) ⁸	4300.00	None	K
Disks, washers, and washers ⁹	4302.00	None	K
Manufactures of artificial, composition or compressed cork, n. e. s.:			
Block cork, expansion joint material, gaskets, grease containers, handle grips, paper, polishing wheels, rods, sheets, shoe insoles, and washers ¹⁰	4307.19	None	K
Other ¹¹	4307.98	None	K
Manufactures of natural cork, n. e. s.:			
Balls, bobbers, buoys, clutch corks, cots, daubers, floats, gaskets, lame lifts, life preservers, paper, polishing wheels, swabs, corkwood bark, shavings, waste, and refuse ¹²	4309.50	None	K
Other	4309.98	None	K

¹ Other asbestos manufactures, n. e. s., excepting cement sheets, B-5459.98 exportable under general license to Iceland.

² Asphalt and bitumen manufactures, n. e. s., including asphalt cement, emulsion and prepared road asphalt, but excepting laminated board, B-5471.00 exportable under general license to Iceland.

³ Because of increased availability, this commodity is no longer subject to the restrictions in paragraph A of the General License for Shipments valued at \$25 or less (GLV), as set forth in Comprehensive Schedule Number 12, pages 84-85.

⁴ Other sodium compounds excepting sodium sulfate, sodium silicofluoride, and lye in small containers, B-8379.98, exportable under general license only to Iceland.

⁵ Other sodium compounds, excepting sodium sulphate lye in small containers, and sodium silicofluoride, B-8379.98, exportable under general license only to Iceland.

⁶ Because of increased availability, this commodity is no longer subject to the restrictions in Paragraph A of the General License for Shipments Valued at \$25 or Less (GLV), as set forth in Comprehensive Schedule No. 12, pp. 84-85.

Commodity	Department of Commerce Schedule B number	General license group, old	General license group, new
Ferro-alloys:			
Ferroboreon ¹	6220.98	62	K
Ferro-carbon-titanium	6220.95	62	K
Miscellaneous:			
Combs (except wholly of rubber or metal)	9827.00	62	K
Pipes, tobacco (of all materials)	9828.00	62	K
Smokers articles, n. e. s. (report pocket cigar and cigarette lighters in 9620.00, 9626.00 and 9629.00)	9820.00	62	K
Umbrellas and parasols	9831.00	62	K
Musical instruments:			
Organs, pipe	9230.00	62	K
Organs, n. e. s.	9232.00	62	K
Pianos, new	9211.00	62	K
Pianos, used or rebuilt	9212.00	62	K
Phonographs, coin operated	9235.00	62	K
Phonographs, other	9236.00	62	K
Phonograph parts	9230.00	62	K
Phonograph records	9242.00	62	K
String instruments	9233.00	62	K
Musical instruments, other than string or band	9295.00	62	K
Musical instruments, parts and accessories, n. e. s.	9297.00	62	K
Nonmetallic minerals:			
Mineral wool ²	5490.00	62	K

¹ Other ferro-alloys, n. e. s., excepting ferroboreon, B-6220.98, exportable under general license only to Iceland.

² Rock wool and other semi-rigid and "fill" mineral insulating materials (including products manufactured from limestone, flint rock, gypsum, slag vermiculite, and similar materials but, excepting mineral wool), B-5490.00, exportable under general license only to Iceland.



Commodity	Department of Commerce Schedule B number	General license group, old	General license group, new
Office supplies:			
Writing ink	9321.00	62	K
Paper and paper products:			
Fiber insulation board	4736.00	62	K
Wall board of paper or pulp (other than hard board)	4738.00	62	K
Petroleum products:			
Aliphatic naphthas ¹	5019.00	62	K
Pigments, paints and varnishes:			
Carbon black, not furnace type	8423.00	62	K
Kalsoline, dry ¹⁰	8432.00	62	K
Lead, red	8424.00	62	K
Lead, white, dry (basic lead carbonate)	8426.00	62	K
Lead, white, in oil	8427.00	62	K
Litharge	8425.00	62	K
Mineral earth pigments, dry, other, umber, sienna, and other forms of iron oxide for paints	8401.00	62	K
Mineral earth pigments, other	8405.00	62	K
Orange mineral	8429.12	62	K
Sublimed lead, dry (basic lead sulphate)	8429.13	62	K
Walting ¹¹	8405.00	62	K
Wood manufactures:			
Insulation board, granule surface and structural ¹²	4299.00	None	K
Sawdust ¹²	4299.00	None	K
Wood fiber ¹²	4299.00	None	K
Wood flour ¹²	4299.00	None	K

¹ Naptha, mineral spirits, solvents, and other finished light products (including petroleum ether, but excluding aliphatic naphthas), B-5019.00, exportable under general license only to Iceland.

¹⁰ Cold water paints, B-8432.00, exportable under general license only to Iceland.

¹¹ Other mineral earth pigments (including barytes, but excluding whitings), B-8405.00, exportable under general license only to Iceland.

¹² Other wood manufactures, except insulation board, granule surface and structural, sawdust, wood fiber and wood flour B-4299.00, require an individual license for exportation to all destinations.

Chile Plans Low-Rent Homes

(Continued from p. 5)

as well as infectious diseases. Rest is often prescribed and when prescribed is enforced.

Through C. S. O. too, much has been accomplished in the fight for better babies. Employed mothers receive leave with pay for 2 weeks before and after the birth of a child; they receive modern prenatal and "after" care, and their children are watched over by the clinic until 2 years of age, often receiving supplementary milk and other infant foods.

Wives of workers also receive this care, with the result that impressive reductions have taken place in the infant mortality rate.

The funds from Social Security also are put to work to the advantage of the community as a whole. As noted above, the C. S. O. has aided in the building of low-cost workers' homes; its funds, also, have been used to establish a Government-owned milk-pasteurizing plant in Santiago—said to be the largest of its kind in South America—and have provided free milk and free lunches for school children.

Radio "Voz de los Andes" says that Ecuador has contributed 6,600,000 pounds of rubber to the United Nations' war effort during 1942. The rubber is valued at approximately 35,000,000 sucres.

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**FISH FOR
THE ALLIES**

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Issued by the UNITED STATES DEPARTMENT OF COMMERCE, JESSE H. JONES, Secretary

THIS WEEK

Post-War Problems.....	3
Motion Pictures' Post-War Role.....	5
Chilean Chemical Picture—A Sketch of Its Main Aspects.....	8
Insurance Laws of Venezuela.....	10

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News by COUNTRIES

Argentina.....	12	French North Africa.....	18
Belgium.....	12	Germany.....	19
Brazil.....	13	Guatemala.....	20
British West Indies.....	13	Kenya.....	20
Canada.....	13	Madagascar.....	20
China.....	16	Mexico.....	20
Colombia.....	16	Netherlands.....	20
Costa Rica.....	16	Nicaragua.....	20
Cuba.....	17	Paraguay.....	21
Dominican Republic.....	17	Rumania.....	21
Eire.....	17	Sweden.....	21
El Salvador.....	18	Tanganyika.....	40
France.....	18	Uruguay.....	40

News by COMMODITIES

Aeronautical Products.....	22	Machinery, Other Than Electrical.....	27
Beverages.....	22	Medicinals and Crude Drugs.....	27
Chemicals.....	22	Naval Stores and Resins.....	27
Coal.....	22	Nonferrous Metals.....	28
Construction.....	22	Nonmetallic Minerals.....	28
Electrical Machinery and Equip- ment.....	23	Oils and Oilseeds.....	29
Essential Oils.....	24	Paints and Pigments.....	29
Foodstuffs and Allied Products.....	25	Railway Equipment.....	29
Glass and Products.....	26	Rubber and Products.....	29
Iron and Steel.....	26	Shipbuilding.....	30
Leather and Related Products.....	27	Special Products.....	30
Livestock.....	27	Textiles and Related Products.....	30
Lumber and Products.....	27	Tobacco and Related Products.....	30

REGULAR DEPARTMENTS

Latin-American Exchange Rates.....	34	New Books and Reports.....	39
United States Export Control and Related Announcements.....	36	Pertinent Comments on World Economy Today.....	13
Announcements Under the Recipro- cal Trade Agreements Act.....	35	Contributor's Column.....	38

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PUBLISHED WITH THE APPROVAL OF THE DIRECTOR OF THE BUDGET (42 J. C. P.)

Post-War Problems

An Address by the Honorable JESSE H. JONES, Secretary of Commerce, Before the New York Board of Trade

FOR THE FIRST TIME since Hitler invaded Poland in 1939, we are justified in a feeling of optimism about the trend of world news. That does not mean that the war is nearing an end, for there is much tough going ahead. We have hardly set foot in Europe, and every step of the way to Berlin will be won at great cost. When Germany has been defeated we will still have our hands full in the Pacific.

We do have the enemy on the defensive, but the price of victory will still be very, very dear. We do foresee the destruction of the Axis threat to rule the world, and, while the day of victory may yet be farther away than we like to think, the day of peace will come.

Avoid Lost Motion

It is necessary, therefore, that we be in a position to shift from war to peace without too much lost motion in the shifting. There lies the responsibility of business and industry, as well as government.

We must be prepared to give jobs to the men and women now in the armed forces and many others engaged in war work. This is what I mean by post-war planning. There is no mystery about it. It is just as necessary to prepare for peace as it is to prepare for war. They both mean work, and more work; planning, and more planning, as the scene changes.

We Foresaw, Planned, Built

Many people think that the war slipped up on us, but let's go back and see what we did, looking to the possibilities of war.

Beginning in January 1940, the President asked Congress for more than \$7,000,000,000 to expand our Army and Navy, and Congress voted the money. In his speech before the Congress, May 1940, the President asked that we prepare to build facilities that could construct 50,000 airplanes a year. June 1940, Congress gave the Reconstruction Finance Corporation extraordinary powers to build war plants and buy and stockpile critical and strategic materials. Under this authority, the RFC has authorized the expenditure of more than \$24,000,000,000 for purely war purposes, building plants of every character, and buying critical and strategic materials in all parts of the world, and we have substantial stockpiles, including rubber.

September 1940, Congress passed the Selective Service Act, and October 1940, the President traded 50 over-age de-

stroyers for American air bases on British island possessions. December 1940, the President pledged that the United States would be the Arsenal of Democracy.

In 1941, at the request of the President, Congress passed the Lend-Lease Act, with an initial appropriation of \$17,000,000,000. Aid was extended to Russia. Congress rewrote the draft act and revised the Neutrality Act so as to enable us to maintain the flow of military supplies to those nations fighting the Axis. All of this planning, mind you, was before Pearl Harbor. For a democracy in which only Congress can declare war, we were doing very well in preparation for what, to the President and Secretary Hull, was the inevitable—war.

Triumph of Free Enterprise

Since Pearl Harbor, we have met the demands of total war. We have seen all our forces mobilized. We have seen warfare on a gigantic global scale. We have seen military campaigns mapped out such as never before were conceived by the mind of man. We have seen brilliant world military strategy.

We have also seen the stupendous victory won by private enterprise. The achievements of American industry have made possible the conquering march of our armed forces.

These achievements represent the ingenuity, the efforts and the patriotism of a people nurtured in the philosophy of free enterprise, and trained in the school of private business.

This magnificent contribution by private industry shows what we can do when forced into war, and what we can do in returning to peace.

First: Be Strong Ourselves

But we must prepare. We must find new jobs, new markets, new outlets for the vital energies of our people. Our post-war planning must take into account other countries, with particular consideration for those which have been overrun by the enemy. It must include the reconstruction of their enterprise as well as their people. We must literally bind the wounds of a war-torn world.

By this I do not mean that we in the United States can shoulder the whole load. But we must so plan as to give our own people work, and, in cooperation with the other United Nations, be of every possible assistance to the people of those countries which have suffered most.

To be able to help others, we must first be strong ourselves.

This is the challenge that industry and Government will face in the post-war period. Private initiative alone cannot do it. In many instances Government must continue to have a hand in business. It must make investments and take risks where private capital cannot afford to, just as Government had to take the risks and do most of the financing for expansion of our industrial facilities to meet the demands of war.

Government's Great Stake

In addition to the billions spent by the War and Navy Departments and the Maritime Commission in building facilities and equipment for war purposes, the Reconstruction Finance Corporation, through its subsidiary, Defense Plant Corporation, has authorized more than \$9,000,000,000 for the construction, equipment, or expansion of 1,753 plants throughout the country for the production of war supplies.

These include 534 plants for the manufacture of airplanes, airplane engines, and parts; 84 plants for the production and fabrication of aluminum; 35 plants for the production of aviation gasoline and related products; 116 plants for the manufacture of machine tools; 40 plants for the production and fabrication of magnesium; 60 plants for the mining and production of minerals and metal products; 75 plants for the manufacture of ordnance equipment; 98 plants for the manufacture of radio and other scientific equipment; 65 plants for the construction of ships, ship engines, and parts; 164 plants for the production of iron, steel, and related products; 60 plants for synthetic rubber and the chemicals and materials necessary to its manufacture; 14 plants for the manufacture of jewel bearings and diamond dies; 43 for the production of hemp and rope fiber. We have built 6 pipe lines for the transportation of petroleum products.

I enumerate these to indicate the extent to which Government is in business, and some of the industries in which it has a large stake. Thus, it is clear that Government and business must find a solution which will be fair to both.

When Government "Gets Out"

When the war is over, Government should get out of active industry as soon as it can, without too much unnecessary loss. And business will do well to recognize the taxpayers' investments, when

negotiating for Government-owned plants, properties, and supplies, and not expect too many bargains.

Many of our war plants can be converted to the production of peacetime requirements; and, to avoid monopolies and too much concentration, local people should have the first call on such plants. A substantial amount of our excess plant facilities and supplies can very properly be used in other countries.

Plans, Ideas, Now Vital

Obviously, what to do about Government-owned facilities and supplies will be a matter for the President and the Congress to determine. The solution will not be an easy one, and those of us in administrative positions, aided by business and industry, must present plans, suggestions, and ideas that will be helpful to them in making their decisions. The future of our economy will depend, in substantial measure, on how the post-war world is organized.

Personally, I have stated, and here repeat, that I have no fear but that Government will deal fairly with industry, because I am convinced that our people want to maintain the principle of free enterprise which is the foundation upon which our economy has been built.

Must Bend Our Backs to Task

But until the day of victory, we must bend our backs to the production needed for war. We must not let the military advantage we have won fool us into thinking that the war will soon be over. False optimism that slows down the flow of materials which we must maintain to every fighting front will result in the loss of many thousands of lives.

Our men are fighting wherever duty calls them. They are supporting our highest patriotic traditions. They are offering their lives that our country may endure. They ask no questions and shirk no duty.

They only demand of us that we supply them with things to fight with, and bring them back to the kind of country they left and that they are fighting for. We at home would be unworthy of the sacrifices they make, if we fail them.

Collaboration Favored

If we are to judge by the results of polls, by expressions in Congress, by the editorial opinion throughout the country, the public view has shifted radically in the last 3 years in favor of political and military collaboration with other nations for the preservation of peace. Whether public opinion has shifted in the same sense, in the direction of post-war international collaboration in the economic field, is not so clear. Yet it is apparent that political and military arrangements cannot preserve peace if we have economic warfare.

Therefore, the Good Neighbor Policy which, with the approval of the President, Secretary Hull has been developing these past 10 years, will become of increasing importance.

Develop Foreign Trade

In the decades prior to the depression, we were too busy supplying our own needs to properly develop our foreign trade.

With some rare and very successful exceptions, American businessmen had regarded foreign trade as a byproduct. They had not made the same effort to

cultivate and advance it that other nations did. This was particularly true on this hemisphere.

The war has emphasized that the nations of the Western Hemisphere should develop their trade relations and further cement the ties that now bind them together.

In doing this we cannot expect our neighbors to deal with us if we do not attempt to meet and anticipate their needs. We must supply them with what they want—not just what we want to sell them. And we must be prepared to develop markets for them in this country.

That is the way in which American business can back up our Government in the furtherance of the Good Neighbor Policy.

Opportunities Immense

The opportunities which will open with the coming of peace are almost inconceivable.

There are few enterprises which will not face tremendous demands. Take our own country alone. We need new houses, new roads, new automobiles, household appliances, furniture, refrigerators, gas and electrical appliances, etc. These constitute just a few of the items which will be needed in vast quantities. If we save our war bonds as a nest egg, we will be able to buy the many things we have been denied during the war.

We shall have a healthy infant industry coming to maturity in airplane travel and shipping.

There is probably not a State, county, or municipality that will not need to extend or repair its facilities—such as schools, streets, waterworks, sewerage, fire protection.

Railroads and bus lines will need to repair and replace their equipment.

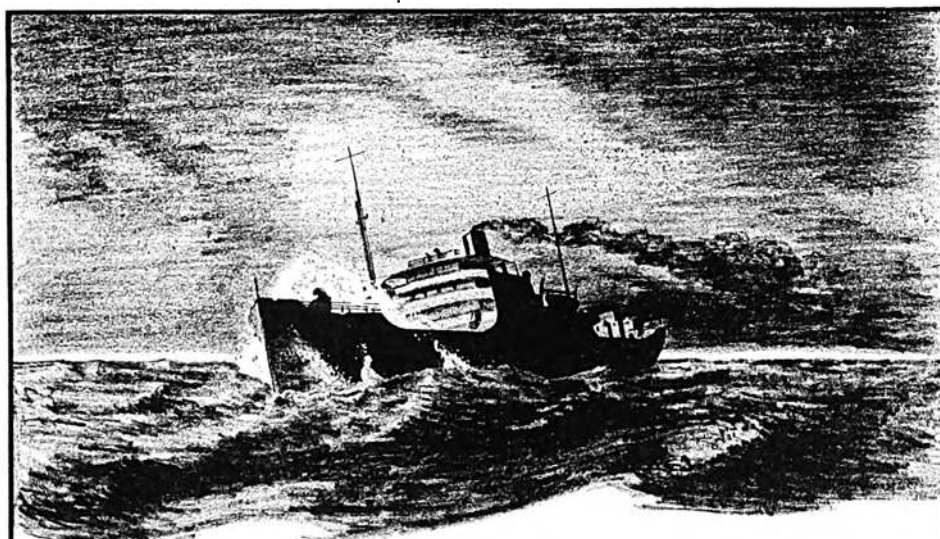
Confidence Is Warranted

Then, abroad, there will be the reconstruction problems in the countries that have been overrun. And people in the farthest outposts have learned that there are new things to be had that will improve their standards of living.

The United States will be called upon to supply goods and services for many parts of the world. Business and Government will cooperate in this great task. The Department of Commerce, established to foster and promote the trade and commerce of our country, will be available to business. It will represent business in government.

In my opinion, we have nothing to fear in an economic sense if we carry into the future the confidence and courage with which we have always met any situation.

A new city will be founded in the Brazilian jungle soon, according to a recent announcement of the office of Brazil's Economic Coordinator, which is sponsoring a "March to the West." The city will be established on the Araguaya River, between Matto Grosso and Goyaz, in an area rich in gold and other minerals.



Commerce defies every wind •
outrides every tempest • invades every zone •

SHIPS FOR VICTORY

Motion Pictures' Post-War Role

By NATHAN D. GOLDEN, Motion Picture Unit, Bureau of Foreign and Domestic Commerce

POST-WAR PLANNING is today claiming an increasing share of the attention of industry, government, and the general public. As the tide of war moves, more and more strongly, toward the eventual success of the Allied armies, the urge to study the conditions that will surround markets abroad after the war becomes steadily more compelling.

Much thought is being given to the movement of actual *physical commodities* after the war. Much study is being devoted to the conditions that will govern expanded *transport facilities* of the future, especially in the air. But is equal thought (in relation to its importance) being given to the question of a reasonably free and equitable flow of that powerful and pervasive "*intangible*," the motion picture, which works on a tremendous scale in the realm of "pleasure in leisure," of emotional reactions, and of stimulating thought-patterns? The answer, one feels strongly, should be "Yes"—but one hesitates to give that answer.

Motion pictures, in the post-war world, can operate potently as a force for democratization, for humane feeling, for wholesome impulses, no less than for the salutary benefits of recreation. Through the mind and the imagination they can work cogently for good. (The Nazis, knowing the extraordinary power and effectiveness of this medium, have used the motion picture for evil ends; one will not easily forget how, in at least four capitals whose conquest the Germans contemplated, they gave a private screening of a "terror film" of Nazi war, portraying the devastation, the wholesale wreckage and awful suffering, that fell upon other peoples who had resisted Hitler's will.)

Some surveys today show that more than 100,000,000 people are passing weekly through the doors of the 17,500 American motion-picture theaters. The influence of the medium, here in our own country, is indisputable—and growing. Will the post-war era witness a proportionate area of influence—with fair opportunities and an open field—for the Hollywood pictures in the other countries throughout the world?

time of the world. The reasons were obvious: we produced the best pictures (that fact was never effectively denied), and our stars were exceedingly well liked by foreign audiences. Abroad, most domestic movie industries were poorly financed, and their films, to put it mildly, left a great deal to be desired.

But—from official reports and press stories now reaching Washington—it is plain that that picture will be altered very perceptibly after this war, and our American motion-picture industry may find itself fighting, as it never fought be-

fore, to distribute its products in foreign markets.

If the post-war contest in this field is a fair contest—one based upon *quality of product*—Hollywood need have no fears. If the fight should prove to be of a different character, Hollywood may conceivably find itself dependent almost wholly upon its domestic United States market to keep itself on a sound financial basis. The situation is certainly one to induce thinking, and to generate judicious, skillful, and determined *post-war planning*.



Courtesy Coordinator of Inter-American Affairs

The Latin American countries, like most other civilized lands, have many ornate and excellently equipped movie houses. This theater is in the city of Bahia Blanca, Argentina.

Struggle and Effort Loom

In the years before World War II, our foreign motion-picture markets grew rapidly. It required little if any effort on our part to control most of the screen

Power Realized, Plans Framed

Our American motion-picture industry is fully cognizant of events that might develop after this war, and has already set its sights to recapture its world markets when the guns of World War II cease firing. But we are not alone in such thoughts, nor do we have anything resembling an exclusive franchise along those lines.

Throughout the world, all countries now realize more than ever the power and influence of the motion picture. They have seen how American films have had a marked effect on the daily lives of their people, how motion pictures have aided greatly in furthering the sale of many varied American products abroad and have diverted to American manufacturers much trade that was formerly enjoyed by others.

Because of the undoubted influence of this potent medium, practically every country of any importance has its own post-war plans for the building of its motion-picture industry, and closely associated with this is foreign governmental effort to combat the influence of American pictures on world merchandise movements.

Great Britain, the Soviet Union, Sweden, Switzerland, and Latin American countries, such as Mexico, Chile, Argentina, and Brazil, are girding themselves to give the American industry its greatest competition for post-war film sales.

British Plans

Great Britain, for some time now, has been formulating its plans to win world screen-time for its films—and this with the encouragement and assistance of the Government's Board of Trade, as is quite naturally to be expected. In a recent speech before the British Film Producers Association, Mr. Gaitskell, of that branch of the British Government, said: "There is a feeling in many quarters that development of exports generally will be assisted by the successful export of British films. It has been said 'Trade follows the films'; I do not know how far that is an exaggeration, but there is something in it. We are paying special attention to film exports from that angle."

Mr. Gaitskell, it may be noted, stated no fact that the American motion-picture industry did not know. Our films have been silent or sound-accompanied salesmen of American goods and democratic ideals in world markets for the past 20 years without any assistance from the United States Government.

The British industry, it is generally realized, has learned much during this war on how to make good motion pictures. True, most of the British industry and its technicians have been making pictures for their *Army and Navy*, but they have been acquiring knowledge as to how good movies should be made and how to tell the story. If some of the British films made during the past year, under unfavorable conditions, may be considered samples of how the British technique of film production is progressing, then the British bid fair to

become our greatest competitors in the film markets of the world.

Entering the British motion-picture industry recently have been powerful interests who are determined that British pictures shall be shown throughout the world. These interests are well-financed, and their prospects of reaching the envisaged goal look brighter now than ever before in the history of Britain's motion-picture industry.

Nazis Making Broad Plans

The reverses that the Nazis have been suffering on the various military fronts apparently do not deter them in the slightest from going right ahead with broad and sweeping plans for the future in the motion-picture field. The U. S. Department of Commerce has just received the illuminating text of an article on this subject that was published only a few weeks ago by a German periodical. In the film industry, says the Nazi writer, "the war has resulted in a closer cooperation of European countries," finding its outward expression in the establishment of the so-called "International Film Chamber." That organization, the Germans allege, comprises 17 countries.

Its idea, its primary purpose, say the Germans, is to fill the yawning gap that has developed in numerous continental European countries in consequence of the discontinuance of the receipt of films from the United States. The Nazis unhesitatingly admit (since they could hardly do otherwise) that the cessation of the flow of Hollywood pictures to Europe has left a tremendous cavity in the screen entertainment of the Reich-dominated countries. But they have their own plans, which they present with typical assurance.

An annual production of 400 to 500 films (the Germans estimate) is required for the 27,000 motion-picture theaters of the European Continent, with their 11,000,000 seats. Can such a demand be satisfied, despite the terrific and steadily tightening exigencies of the war? The Nazis sound confident. "This production," asserts the *Deutsche Zeitung* in Ostland, "will be attained in spite of all difficulties." "The planned German quota of 110 long films yearly will in any case be achieved," boldly claims the Nazi writer.

"This year's Italian production will not be much less," the Nazi analyst figures. The recent violent explosions, disruptions, and incursions in the Italian "theater"—the theater of grimly real action—make one exceedingly dubious as to whether the Nazis will ever witness the realization of those fond hopes.

France, Spain, Other Countries

Among the film producers on the continent other than the Reich and Italy, says the German writer whom we have been quoting, France is growing in importance, after the shattering economic disturbances to which its once leading film industry was subjected in peacetime and after its collapse soon after the beginning of World War II. Considering the "collaboration" with the German and

Italian film industries, it may be expected, the Germans calculate, that France will produce about 60 long films this year.

Among the "southeastern countries," Hungary has developed during the past decade a motion-picture industry of its own, which, in the German view, has attained a good reputation in foreign markets and has even been improved in efficiency during the course of the war. Of the two large film studios in the Hungarian capital, Budapest, one is at present "largely at the disposal of the German film industry." Just the same, it is expected that Hungary will produce about 50 real Hungarian films during this twelvemonth.

Spain is endeavoring to reach that same figure (50), though development has been rather seriously retarded by the consequences of the civil war and by the element of mounting costs. The Spanish film industry, it is noted, is encouraged as much as possible by the Franco Government, "which is particularly interested in export to the Ibero-American countries," including such increasingly significant markets as Argentina, Chile, Peru, Venezuela, Colombia, and Mexico. Competition on the part of Spain is probably going to play a role by no means negligible in the post-war years.

Slightly lower than that of Spain is the production that may be expected in the Scandinavian countries, which have always had a large number of motion-picture houses and lively activity in this field, but which have (it is noted) paid relatively little attention to their own production for a long time "on account of the predominating influence of films from the United States." Sweden, it is stated, will produce about 25 films in 1943, and Denmark and Finland about 15 films each. Switzerland, one of the few lone neutrals in Europe, is being counted on to turn out at least 10 films.

Reich "Counts Chickens"

The Nazis, not unnaturally, view the diminution in the supply of American films in the countries of "Fortress Europe" and its environs with a considerable degree of complacency so far as the immediate and ultimate possibilities for Axis-dominated Europe are concerned. They are setting themselves to shape post-war movements in this highly important specialized realm of trade, entertainment, and thought. They are already maneuvering to grasp every conceivable opportunity to see that motion-picture matters develop in a manner to augment their bank-accounts. The Nazis are clearly and resolutely envisaging post-war potentialities and are manifesting every intention of driving toward their movie objectives with typical Teutonic doggedness.

We in America well know that the coming total defeat and collapse of Axis power will leave scant scope for any world-embracing—or even Europe-embracing—scheme of domination by the German and German-dominated motion-picture interests. But the overall picture that we clearly discern in such a report as has been cited above may, to

our own advantage, indicate the necessity for long-range thought and truly forward-looking action on the part of the Hollywood industry—thought and action that take cognizance of the multifarious changes which this war has wrought and is now inducing, in what may be described as the motion-picture patterns of many foreign lands.

Changes Are Constant, Varied

Those changes may be discerned not so much in any drastic overturns or reversals of previously existing situations as in manifold rather-small modifications and departures. Such modifications are of every imaginable kind. It may be worth while, for a few moments, to turn the spotlight hither and yon, on the foreign motion-picture "stage," and note just a few of the odd and assorted new developments under the impact of the war. Each of them may mean something for the future.

In Australia a new law requires that all theaters stay closed on Sundays. In that Commonwealth, too, we find a new movement to establish a circuit to show Russian films exclusively.

In Brazil, all Axis films imported in 1942 or in the possession of distributors were later confiscated by the Government.

In Haiti we see the motion-picture theaters reducing the number of performances given daily, because of a shortage of electricity. In Afghanistan we find a ban clapped down on "any political news reels" (a pretty broad term). And we learn of untutored natives in the wilds of Burma's jungles reduced to a state of mingled ecstasy and panic by the sight of their first movie.

Turkish citizens, we ascertain, are forbidden to attend even private screenings of any propaganda films.

A Swedish producing company has displayed the energy and summoned the specialized skill necessary to embark on the production of a full-length cartoon in the Disney manner.

The people in Algeria are making it plain that, in their motion-picture fare, they emphatically reject "psychological problems."

Britain establishes a new and vigorous association to promote the production and use of scientific films.

Staid trade experts at the Department of Commerce in Washington find themselves, upon occasion, irresistibly engrossed by consular descriptions of the behavior of native audiences of the less-developed countries as those spectators view (rarely, or possibly for the first time in their lives) a lifelike picture on a screen—their unrestrained shouts of excitement and roars of delight, their slappings and cavortings, and other fascinating evidences of "audience participation." Their enjoyment plainly points to enlargement of markets in the future.

The items just cited have not the faintest semblance of organic unity or inter-relationship—but they all drive home one fact: namely, that things are moving swiftly in the motion-picture field abroad, that new forces are being



Courtesy Metro-Goldwyn-Mayer

"Your Hands Hold the Future" says a poster in this scene from "Joe Smith, American," sturdy and dynamic picture of democracy and the American way. And the American motion picture, working as a world-force, seems likely to hold in its hands an appreciable number of the "intangibles" that will shape future international patterns in trade and in other fields.

unleashed, and that Hollywood will need, more than ever, to *know*, to *study*, and to *plan*.

Films Follow Armed Forces

One of the really potent factors now shaping the preliminary stages of the world film situation that will develop as the war ends is the presence of contingents of the armed forces of the United States in nearly every corner of the world. And American movies inevitably follow the flag. Consequently, to an unprecedented degree in many cases, Hollywood's entertainment films are being projected on screens in countless remote, exotic, and previously little-known regions—in steaming, tangled South Sea islands, in the frigid Arctic, in arid Africa, in Sicily, and in India and Ceylon as our forces prepare to start "on the road to Mandalay."

What does this mean in terms of potential post-war markets, post-war trade arrangements, post-war planning? These movies that are "breaking new ground" as they accompany or follow the armed forces are arousing wholly new desires for entertainment among resident populations—they are stimulating interest, creating demand; they are opening the door to future opportunities for even broader geographical distribution of the Hollywood studios' products than we have witnessed in the past.

We have just used the word "geographical"—and that serves to bring home the reminder that different geographical areas have different political set-ups and governmental jurisdictions. They have, and *will* have, different

trade-control measures, tariffs, fees—and possibly restrictions of a nature that are somewhat hampering. Which brings us to a feature of "motion pictures, post-war," that can be discussed only with a marked degree of circumspection.

Competition on Merit

The American motion-picture industry has always welcomed fair competition in any market of the world, and it seems quite reasonable to assume that this is the policy to which it will consistently adhere in the post-war period.

The United States is the greatest dollar market in the world for good motion pictures. Motion pictures of real excellence, whether they were produced in Britain, France, Germany, or any other country, have in the past found ample and generous opportunity to compete in the United States market with the films from our own studio.

Are reciprocal conditions to prevail abroad in the post-war period?

It seems scarcely necessary to emphasize the troublesome character and general undesirability of foreign artificial barriers such as quota and contingent systems that gravely impair the opportunities of our America films to compete freely abroad. It goes without saying that, in the post-war years, our motion-picture industry strongly hopes to see the elimination of any regulations abroad providing that—as a condition precedent to doing business in a given market—our American companies must either acquire a number of the domestic films of the country in question or

(Continued on p. 37)

Chilean Chemical Picture— A Sketch of Its Main Aspects

By C. C. CONCANNON and A. H. SWIFT, Chemical Unit, Bureau of Foreign and Domestic Commerce

SEVERAL CAUSES may be cited as responsible for the slow development of a Chilean chemical industry of any real importance despite the abundance of certain natural raw materials, such as crude sodium nitrate, sulphur, borate of lime, copper, coal, iron ore, and products of the forest and sea. Chile has, therefore, continued to import the bulk of its chemicals and allied products. With the Republic's valuable resources it should be possible to expand the Chilean chemical industry to rather large proportions.

One of the chief reasons for the slow expansion of the chemical industry in Chile has been the relatively small, somewhat scattered population, with the resultant lack of a market close at hand for the output of a large chemical industry. Another is the smallness of all manufacture, though this branch has experienced considerable progress in recent years. Still another cause may be the habit, over the years, of the majority of the people to confine their attention to agriculture. Also, most of the inhabitants (numbering somewhat more than 5,000,000) have a rather low purchasing power. Only a comparatively small proportion of them have an appreciation of the value of technical and scientific knowledge and are skilled workers.

Rather at variance with this last statement, however—and an example of what

EDITOR'S NOTE

C. C. Concannon, Chief of the Chemical Unit, Bureau of Foreign and Domestic Commerce, who co-authors the present article, will leave for Santiago, Chile, during the latter part of October to take a position with the Chilean Government. While on this assignment, which is expected to last for a period of one year, Mr. Concannon will serve as consultant and adviser to the Chilean Government on matters related to the development of various branches of the chemical industry of that country. Mr. Concannon will return to his position as Chief of the Chemical Unit upon the completion of this assignment.

may be accomplished—is the present manufacture of *explosives* in Chile. Established in 1923, Chile now has one of the largest high-explosive plants in South America and one of the largest black-powder mills in the world; here the reason for the development may be the large outlet already available, namely, the country's mining activities.

Pertinent Basic Conditions

Most of the important commercial enterprises of the country have head offices or branches in Santiago, the Chilean capital. Being the principal manufacturing center, Santiago accounts for more than one-half of the total value of Chilean manufactured goods, chemical and other. Manufactures are varied, including chemicals, paints, pharmaceuticals, toilet preparations, explosives, paper, glass, iron and steel products, textiles, and food products.

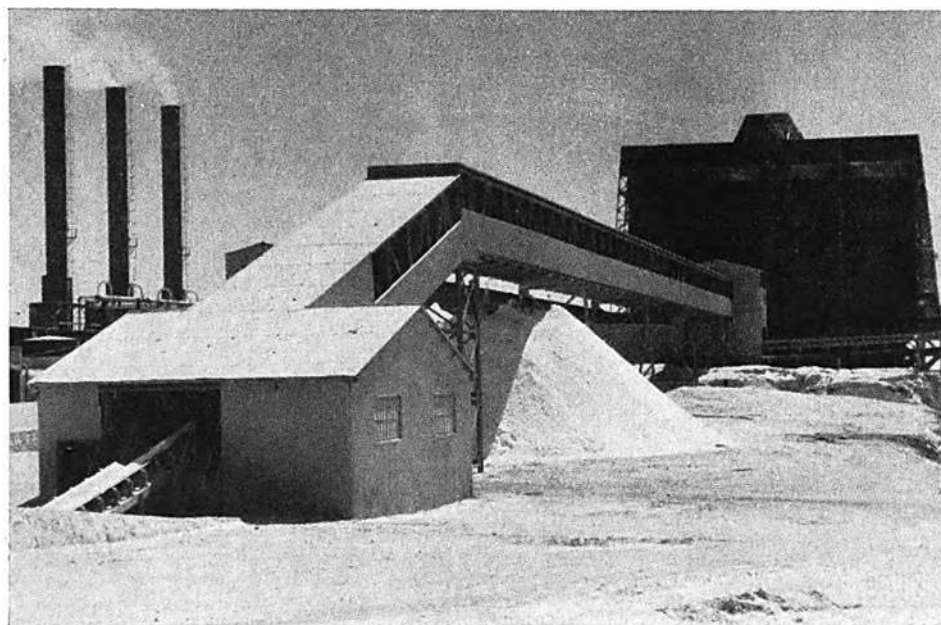
Certain rather well-known facts about Chilean economy may perhaps be cited to advantage at this point, because of their bearing on the vital questions of the country's actual or potential developments in the chemical field. Mining is of course Chile's chief source of wealth—particularly copper, lead, zinc, cobalt, iron, gold, silver, coal, and nitrates. Possession of these raw materials, especially copper and nitrates, has placed Chile in the forefront as a vital contributor to the war effort of the United Nations. Minerals, as is generally known, account for more than three-fourths of the total value of all Chilean exports. In consequence of the record copper output, the value of Chile's mine production in 1942 probably exceeded the 1937 figure of \$124,000,000. Ample coal deposits provide the basis for the establishment of a coal tar chemical industry.

Chile's agricultural resources, one need hardly say, are varied and extensive. From the viewpoint of persons employed and national ownership of properties, farm production is the principal industry of the nation. The raising of livestock—cattle and sheep—is particularly important. The country also abounds in forests, a source of future new wealth through chemical utilization.

Chile's fish resources are abundant and are being developed for food, and especially for oils and vitamins. This natural resource will be further and more adequately developed through the application of chemistry. The per capita water power potential of Chile is second in the world only to Norway. This opens up a broad avenue for development in a field in which there are great possibilities, that of electro-chemistry.

Value of Total Production

The value of all kinds of production in Chile in 1940 was 10,964,000,000 pesos (\$350,848,000), according to an official



Part of a nitrate plant at Pedro de Valdivia, Chile.



Courtesy Chilean Line

Building of Chile's National Agricultural Society in Santiago. The Chileans recognize the relationship between the development of the Republic's chemical industries and the continued advance of its agriculture.

statement of the Corporación de Fomento to the Chamber of Deputies as published in the Boletín de Sociedad de Fomento Fabril of October 1941.

Nearly one-half of this total, 5,064,000.-000 pesos, was accounted for by manufactures, though it is thought that the value of agricultural and mineral raw materials used in manufacturing was included. Agricultural and pastoral products accounted for 3,000,000,000 pesos and mining for 2,900,000,000.

Case of Tartaric Acid

Wheat, corn, rye, barley, oats, beans, lentils, peas, onions, and hemp are cultivated, and most of these are exported. Fruits in wide variety also are grown in Chile, and many are exported. Until wartime shipping shortage developed, considerable progress had been made in promoting foreign trade in fresh fruits. With seasons opposite to those of the United States, Chilean fruits had a seasonal market, and were sold to this country. The grape industry has had a rapid growth, and in this field Chile now ranks second to Argentina among the South American countries.

In this line, the chemical industry again illustrates the possibilities of shifting the national position from importer to producer and exporter. The raw material *crude tartrates* is procured from the wine industry and is now made into tartaric acid. Formerly, tartaric acid was imported, and all the crude tartrates were exported to foreign countries. From 1919 to date the United States has imported from Chile nearly 11,000,000 pounds of the crude tartrates to manufacture tartaric acid.

Livestock Offers Market

The livestock industry and its byproducts have formed one of the chief activities of Chile for a long time, but the supply of cattle is still insufficient insofar as beef cattle is concerned. Raising of sheep has been especially successful, and mutton and wool have been exported to an appreciable extent. More wool has been consumed in the domestic mills than formerly. With the continued growth of this branch, more chemicals which may be produced locally will be required. Dips and veterinary preparations are of course particularly necessary for livestock raising.

Chile's Chemical Needs Today

With the advent of the war, Chile's need for chemicals and allied products for use directly and by consuming industries became urgent. Shortages of goods in industrialized countries formerly supplying these needs acted to accelerate the industrialization of Chile and stimulated its industrial output. Lack of equipment, however, retarded the full development of Chile's industries, and expansion has been confined principally to the production of those commodities for which manufacturing facilities already existed. Raw materials continued to be the outstanding products.

Raw Materials Available

The facts as to the discovery, working, and exporting of Chilean nitrate during the last century are fairly well known. Output has been great, and small—great during World War I, then a slump chiefly

because of the competition of synthetic nitrogen, then once more an increase. The large war demands for nitrogen are being met primarily from the synthetic product, leaving the natural for highly essential fertilizer purposes. Production of Chilean nitrate amounted to 1,450,000 tons in 1940-41.

Iodine, although a byproduct of the nitrate industry, nevertheless puts Chile in the position of the world's outstanding supplier of this vital chemical. Production has varied greatly over the years, from a low of 185,000 pounds in 1930 to a recent high of 3,275,000 pounds in 1941.

Other natural salts occurring in the Chilean desert are extensive deposits of sodium sulfate, sodium chloride, and borax. The sodium sulfate is exceptionally pure. Production of this salt likewise has varied greatly over the years. Government engineers have estimated as possible an average annual output of 100,000 tons of sodium sulfate. Production was as high as 75,900 tons in 1938. Recent figures are not available, but exports in 1941 amounted to only 10,300 tons, compared with 62,700 tons in 1937.

Sodium-chloride output likewise has been up and down, with production in 1940 amounting to nearly 98,000,000 pounds.

Although crude borate of lime has been available for many years, the deposits had not been worked recently until in 1941 when operation was resumed.

Sulfur deposits of volcanic origin are numerous and extensive. In places, large masses of nearly pure sulfur are available and easily worked. There are a large number of sulfur-producing companies in Chile, but only a few are operating in what may be called a consistent manner. The government policy is one of assistance to Chile's sulfur producers.

Between 1934 and 1938 production of sulfur averaged 22,000 tons annually plus an additional 10,000 to 12,000 tons of ore sold to local copper, nitrate, and explosive industries. Output increased to 36,000 tons in 1940.

Range of Chemical Production

For many years Chile has been producing a wide range of chemicals and allied products in small amounts, but not until about 1936 did any considerable expansion take place. Complete statistics over the years are not available. In 1922, Chile had a production of industrial chemicals, fertilizers, paints, medicinals, and toilet preparations of about \$7,000,000 and in 1925 of \$10,000,000. By 1936 it was estimated that Chile produced 25 percent of its industrial chemical needs, and a considerably higher percent in the case of medicinal and toilet preparations.

In 1936 Chile supplied all its requirements of hydrochloric acid, sulfuric acid, sodium bisulfite, borax, copper and iron carbonates, aluminum, copper, iron, magnesium and sodium sulfates, and iodine. A large part of the demand for

(Continued on p. 81)

By HENRY P. CRAWFORD, *American Republics Unit, Bureau of Foreign and Domestic Commerce*

VENEZUELAN INSURANCE LAW has been both legislated and regulated on two occasions in recent years. In 1935 a new insurance law was passed purporting to implement in practical detail Title XVIII of Book 1, and Titles VI and VIII of Book 2 of the Venezuelan Code of Commerce, which deal with the general principles of insurance covering terrestrial, life, fire, agricultural, land-transport, and maritime risks in that country. Regulations for this enactment were published the following year. However, both the 1935 insurance act and its 1936 regulations were expressly revoked by the "Ley Sobre Inspección y Vigilancia de las Empresas de Seguros" of 1938 and the latter's regulations issued in 1939.

Under the 1938-39 combination of insurance law and regulations, the intervention of the Venezuelan State in all matters pertaining to insurance, as well as financial supervision, already assigned to the Ministerio de Fomento by the Law of Ministries, is now carried out according to the provisions of the act of 1938. With this administrative plan in view, insurance carriers, whether national or foreign, which do an insurance business of any kind in Venezuela are subject to inspection and supervision by the Federal Government of the country through the medium of the above-named Ministry.

Deposits and Reserves

Venezuelan legislation, establishing control of insurance carriers through Government intervention and supervision represents a step in the direction of modern insurance practice. Progress is noted in the four economic limitations placed on trustee assets or deposits, although the language creating the legal reserve for life insurance, and what is assumed to be unearned premium reserves of fire, marine, and casualty companies, and similar obligations apparently leaves much to interpretation.

According to advanced insurance procedure, the unearned premium reserve of fire and casualty companies represents the portion of the gross premiums on policies in force corresponding to their unexpired period. This reserve is carried for two reasons: first, because the insurer is bound to cover the risk for the unexpired portion of the policy period, and, second, because most policies of this nature stipulate that the company and the insured retain the right of cancellation. Upon cancellation, the unearned portion of the premium must be refunded. However, the Venezuelan legislature has seen fit to require as low as 40 percent of net premiums received during the year for this type of reserve.

Also, under the first reason mentioned above, this reserve is equivalent to a "re-insurance" reserve, since the carrier is generally safe in assuming that another company would reinsure the same risks for this amount. In the light of the

Insurance Law Of Venezuela

EDITOR'S NOTE

Numerous inquiries received during recent months on the general insurance laws of Latin America made a synopsis of Venezuelan legislation on this subject appear advisable.

This is the fourth of a series of papers dealing with insurance in Latin America. Previous papers which have appeared in *FOREIGN COMMERCE WEEKLY* are "General Insurance Law of Mexico," May 2, 1942; "The Mexican Social Security Act of 1943," May 15, 1943; "Peru's New Insurance Law and Organization Procedure," August 21, 1943.

Venezuelan statute admitting 40 percent of net premiums per annum as a basis for the unearned premium reserve, the reinsurance position of a Venezuelan carrier would appear weak unless the latter voluntarily maintained a higher reserve with a view to reinsurance if necessary. On the other hand, it is possible that the Venezuelan Government had in mind lower reserve requirements to remove handicaps on the formation of new companies, which would otherwise require a larger starting surplus to be paid in, or to allow for a certain amount of redundancy commonly found in statutory reserves. In any case, no intimation is given as to what constitutes "net" premiums.

While reiterating many of the well-known principles of insurance procedure, both the law and its regulations omit precise provisions governing investment ratios of minimum capital and reserves, and their assignment proportionally to approved investment groups. To this extent, Venezuelan insurance legislation fails to apprise investors who contemplate the organization of a Venezuelan insurance company as to the classes of securities to which the Venezuelan Government definitely intends to restrict the investment of capital and reserves.

Moreover, no provision is made, in the case of a domestic insurer authorized to do business in a foreign country, for the investment abroad of reserves in support of life or other insurance contracts where the risks are resident or located outside of Venezuela, and treatment of the entire field of reinsurance has been completely omitted. It may also be observed that no differentiation is made between

the investments of life and other insurers in relation to real property, whereas, modern insurance supervision generally permits an appreciably larger proportion of mortgage loans for life-insurance companies than for fire, marine, or casualty underwriters.

Registration

Express provision is made in the 1938 act for the registration of all insurance enterprises in Venezuela. Consequently, no insurer, either national or foreign, may undertake insurance operations in the country unless properly registered with the Ministerio de Fomento.

In order to complete the registration, insurance enterprises must file a petition with the above Ministry, accompanied by proof of their lawful formation as required under the Venezuelan Code of Commerce, a statement of their authorized and paid-in capital, pro-forma models of policies, contracts, and other standard documents used by the company, also schedules of premium rates and categories, mortality tables, reserves, and other data relating to the computation of mathematical or other reserves peculiar to the line of insurance they intend to write. Life underwriters, in addition, are obliged to furnish schedules of substandard and preferred premiums depending upon the occupation or physical condition of the applicant.

The insurer must also furnish a certified copy of its articles of incorporation and bylaws and their amendments. Later changes must be filed within 30 days following the date of the modifications whenever these are carried out in the articles of incorporation or bylaws after registration in Venezuela has been completed.

Commercial Law Procedure

Aside from the designation or name adopted by the insurer, it must, under the Venezuela Code of Commerce and the insurance regulations of 1939, identify itself, according to its type of organization, as a corporation or limited partnership by shares. Hence, the words "compañía anónima" or "compañía en comandita por acciones" must precede or follow the name of the insurer on letterheads, billheads, or wherever the company publishes its name. The Spanish words must be "written in all their letters and legible without difficulty," and be accompanied by a statement of the company capital. Severe penalties attach for infractions of this rule.

As an offset to this, however, the Ministerio de Fomento, when examining the documents which accompany the request for registration just discussed, will consider an insurer legally constituted if it appears in the Register of Commerce of the place where the company has its domicile in Venezuela.

In the light of these rules, it is inferable, first, that an insurance company under Venezuelan law may take the form of either a corporation or a limited partnership by shares, and, second, that ordinary commercial procedure must be observed in the original organization and registration of the insurer before the matter reaches the Ministerio de Fomento. In short, although having the insurance business as its objective, a complete commercial organization must be formed and registered the same as any other commercial or industrial enterprise, and then be registered and approved a second time by the Venezuelan Federal Government.

Deposits

As will be seen from the following requirements governing the deposits of trusted assets under Venezuelan insurance practice, a distinction is drawn between national and foreign insurers relative to the amounts specified. In the case of a national company, when the application for registration is filed it must deposit in "pledge guarantee" in any bank designated as a depository by the Ministerio de Fomento—in legal tender ("curso legal"), or Venezuelan public obligations, or Venezuelan commercial or industrial securities approved by the Ministerio de Fomento—the sum of 300,000 bolívars if the applicant is a life company, 150,000 bolívars if writing risks other than life, or 450,000 bolívars if organized to write both life and other risks.

On the other hand, if the applicant is a foreign insurer, the "pledge guarantee" must consist of Venezuelan gold coin of legal fineness, or Venezuelan public obligations, or Venezuelan commercial or industrial securities likewise approved by the Ministerio de Fomento, to the value of 600,000 bolívars for life underwriters, 200,000 bolívars for insurers other than life, or 300,000 bolívars if underwriting life and other risks.

Although the registration of an insurer will be rejected upon failure to make the required deposit, if the Ministerio de Fomento consents—depending upon the merits of the case—it may admit, in lieu of legal tender and securities, mortgages on real estate situated within the country which represent a net value one-fourth in excess of the amount required for the deposit.

Withdrawal of Deposits

The trusted assets described above may not be withdrawn from the depository designated except by petition of the insurer expressly approved by the Ministerio de Fomento for the purpose of paying claims of Venezuelan policyholders which have not been satisfied through other means. In short, these assets are



Courtesy Pan American Union

Venezuela's capital, Caracas, source of all Federal governmental enactments, has numerous impressive structures housing administrative departments. This is the Ministerio de Fomento, or Department of Promotion, referred to throughout the accompanying article.

intended solely for this type of policyholder protection, although the interest earned by the deposited securities is credited to the insurer making the deposit.

Deposit Specifications

For purposes of trusted assets or deposits the 1939 Venezuelan insurance regulations include four distinct limitations: (a) insurance companies may not offer as a guarantee of their Venezuelan operations the securities or obligations of companies with which the offering insurance company may be affiliated; (b) the obligations of private enterprises will be accepted as trusted assets only if they have paid dividends for the last 2 years; (c) when the trusted assets consist of real estate susceptible of destruction by fire or of mortgages on realty of this nature, such assets must be covered against the fire risk by appropriate policies at the expense of the depositing insurer, and in any case are subject to the provisions of the Venezuelan Civil Code; (d) in no case will the creation of second or later mortgages be accepted from insurers in favor of third persons on mortgaged realty which has been admitted in guarantee of insurance operations.

The preceding reference to the Civil Code requires explanation because of a rule of Venezuelan civil law governing mortgaged assets. Where insured as-

sets which are subject to a preferential lien or mortgage have perished or deteriorated, the amounts owed by the insurers for reimbursement of the loss or deterioration become charged with the payment of the preferred or mortgage credits, according to their gradation, unless such monies have been employed in repairing the loss or deterioration. Nevertheless, Venezuelan insurers are discharged, according to the Civil Code, if they pay within 30 days from date of the loss or deterioration without opposition from interested parties.

Denial of Registration

While the registration of national or foreign insurers in Venezuela is founded on wholly reasonable rules, those rules, nevertheless, expressly provide for rejection of the application on a number of counts. For example, registration will be denied if the documents and statements enumerated under registration requirements do not accompany the application; if the articles of incorporation or bylaws of the company do not clearly define the rights and duties of shareholders or the purpose for which the company was formed; if the standard forms of application blanks, policies or other company contracts contain conditions not adjusted to Venezuelan insurance law or which are prejudicial to

(Continued on p. 34)

News by COUNTRIES

Argentina

Tariffs and Trade Controls

Regulations for Production, Advertising, and Sale of Pharmaceutical Products Revised.—Two decrees regulating the production, advertising, and sale of pharmaceuticals and medicinal specialties were issued by the Argentine Government August 26, 1943, and published in the Boletín Oficial of September 2. Decree No. 6136 establishes requirements for reporting production costs, and decree No. 6437 requires prior authorization by the National Department of Hygiene for all advertising, which requirement appears to be merely an enforcement of existing regulations.

The first decree, No. 6436, requires that within 20 days from August 27, 1943, all importers, proprietors, or representatives of medicinal specialties, serums, vaccines, biological and organotherapeutic (glandular) products, and the laboratories where such products are prepared or packaged, must present for each specialty or product a sworn statement of the preparations which they manufacture, import, or represent, their formulae and their cost, indicating:

- (a) For each sales unit, cost of the products which enter into the preparation; cost of the container, and cost of the outer container;
- (b) The share of general laboratory overhead expenses (rent, light, personnel, and the like) which is assigned to each sales unit; and
- (c) The share assigned of research expenses.

The number of years in which the research share is to be amortized, for each product, must be specified. Products which have been subject to scientific investigation must be indicated and the period in which they were produced must be set forth.

The share assigned to advertising expense shall be shown for each sales unit with separate entries for radio, press publicity, publicity in scientific magazines, publicity of other nature, free samples, salaries, and expenses for visiting personnel.

Laboratories, proprietors, importers, or representatives who produce, import, or represent more than 20 medicinal specialties, serums, vaccines, biological, and organotherapeutic (glandular) products may make the sworn declaration described above in successive periods of 15 days for each group of 20 products or fraction thereof.

Products for which the required information has not been presented, within the periods established, may not be sold, and authorization previously granted for their sale will be canceled.

Each laboratory manufacturing medicinal specialties must establish in a

separate schedule those products which it makes. If it produces these preparations for the account of third parties, it must report the name of the product and of the concessionaire and his home address.

In addition, laboratories preparing organotherapeutic (glandular) specialties must present to the National Department of Hygiene a sworn statement showing:

The amount in gross weight of glands and other biological products which they may need for the production of their specialties in accordance to formulae which may have been approved for them; net cost and source of supply in the market; quantities normally on hand, and indications of the difficulties of obtaining a normal supply.

These laboratories are required to make the same declaration of distribution costs as previously outlined. Furthermore these laboratories must report

monthly the amount of their production destined for export.

The National Department of Hygiene will control the appraisal prices of drugs and chemical and medicinal products which may be imported, for the purpose of establishing protection for national production, tending to favor the development of local industry.

A census of the stocks of drugs in the country shall be kept up to date so that there will be available at all times information on normal stocks and amounts of reserves which can be counted upon for emergencies. The census shall show the origin of the products, whether domestic or foreign.

Another provision gives the National Department of Hygiene a rigorous control over the introduction, manufacture, and traffic of drugs and medicinal specialties, and instructs it to employ severe means to avoid or repress the hoarding or hiding of stocks of such products.

The second decree, No. 6437, requires better observance and stricter enforcement of existing laws regulating the advertising of medicinal products, and provides penalties which will be imposed for violations of the requirement that all advertising of medicinal products must be previously and expressly authorized by the National Department of Hygiene. This decree became effective September 1, 1943.

[Owners of the circular F. T. No. 259, dated February 3, 1940, titled "Argentina—Regulations Governing the Registration, Importation, and Sale of Medicinal and Pharmaceutical Preparations and Allied Products," should take note of the new regulations mentioned above, and should add them to those outlined in the circular.]

The Cover Picture



Fish for Allies

There's a story behind our cover picture this week—a story of dogged courage and resolution in the performance of everyday tasks and duties. The men who, in this picture, are hauling in a catch are Norwegian fishermen now living in Great Britain and operating in British waters.

When the Nazi juggernaut rolled through Norway, and the alleged "master race" took over the country, the Hitlerites may have thought that they were also taking over the Norwegian fishing industry, in toto. But in that assumption they were fooled. Many Norwegian fishermen escaped then (and others have since escaped) across the North Sea in their small fishing boats.

They have been continuing their fishing off Britain's coasts, and have brought large and regular supplies of fish to British ports. One town in particular, on the Scottish coast, has now acquired the authentic atmosphere of a Norwegian fishing village.

Belgium

Wartime Commodity Controls

Systems of Compulsory Compensation Authorized for Enterprises Injured by Economic War Regulations.—The Minister of Economic Affairs in Belgium has been authorized to establish, in the form of advances or loans with or without interest, systems of compulsory compensation for the benefit of enterprises the activity of which is stopped, or between enterprises the activity of which is unequally influenced, by certain economic regulations due to the war, by an order of December 21, 1942, published in the Moniteur Belge (Brussels) of December 23.

The economic regulations referred to are those decreeing: Industrial or commercial concentration; total or partial closing of enterprises; total or partial prohibition of certain production or distribution; or total or partial canceling of contingents.

Funds for paying compensation in the form of advances or loans are to be obtained from special taxes on active enter-

prises, or those active during a specified period, and belonging to the same branch of industry as those compensated.

Coal and Coke: Special Sales Tax Established.—A special tax of 1 franc per metric ton was established on coal, coal briquettes, and coke delivered to industrial consumers in Belgium, on or after January 1, 1943, by producers of combustibles in execution of programs of the Central Coal Office, by ordinance No. 2 of December 15, 1942, published in the *Moniteur Belge* (Brussels) of December 30.

This tax is to cover expenses of the functioning of the Central Coal Office.

Brazil

Wartime Commodity Controls

Oranges: Price Paid to Producers Fixed.—By resolution No. 20 of September 8, 1943, the Executive Commission for the Fruit Industry fixed the price payable to producers in the Federal District and State of Rio de Janeiro at 5.00 cruzeiros per field box of oranges delivered at the grove. The field box is of about the same dimensions as the export box, which is the standard Florida box containing one and three-fifths bushels.

Exporters who do not observe this official price will be subject to the loss of their export quotas and the possible cancellation of their certificate of registry with the *Servico de Economia Rural*. The commission will not allow any firm that is not registered with the *Servico de Economia Rural* to export oranges.

Fish: Executive Commission Established for Organizing Fishing Industry on Cooperative Basis.—A Brazilian Executive Commission for Fish has been established in the Ministry of Agriculture, to organize the national fish industry on a cooperative basis, by decree law No. 5030 of December 4, 1942, which became effective on December 7, 1942. The Commission, known as the C. E. P., is made up of a representative from each of the following organizations: the Rural Economy Service, whose representative will be President of the Commission; the National Department of Animal Production; the Ministry of Marine; the Professional Syndicate of Fishermen of Rio de Janeiro; and the Syndicate of Fishery Supply Houses of the Federal District.

The Commission is charged with:

- (a) Providing itself with all necessary equipment for the production, transportation, conservation, and transformation of fish;
- (b) Establishing schools for primary education and fishing, and courses for teaching technical-professional industrialization of fish;
- (c) Setting up warehouses in the producing centers;
- (d) Maintaining medical-surgical, pharmaceutical, and odontological services, in polyclinical, ambulatory, and hospital facilities;
- (e) Organizing fishing cooperatives, under existing law, with powers to determine its sphere of activity, and to designate and remove, for 3 years, the board of directors of the cooperatives;
- (f) Trading in fish or delegating commerce therein, either totally or partially, to cooperatives established under the present regulations, or those which existed previously and

which agree to comply with the present regulations;

(g) Carrying out the duties of the National Fish Council as established in previous legislation;

(h) Hiring and discharging the personnel necessary for carrying out its duties;

(i) Financing, through appropriate subordinate organs, or through the intermediary of cooperatives, persons or institutions dedicated to fishing or to related industries.

The decisions of the Executive Commission for Fish will be issued in the form of resolutions.

British West Indies

Economic Conditions

SITUATION IN JAMAICA

Wholesale and retail trade in Jamaica during August remained at the same low level that prevailed in the preceding month. Stocks were generally depleted, and new supplies were difficult to obtain. Textiles particularly were in short supply. Unemployment increased further as the number of workers engaged in the sugar industry decreased with the completion of the grinding of the sugar crop. Building activity was practically at a standstill because of the shortage of construction materials and the severe restrictions on the granting of building licenses. Food production continued satisfactory.

Imports for the half year ended June 30, 1943, showed an increase over those of the corresponding period in 1942. Shipments from Jamaica including parcel post and reexports during the half year of 1943 showed a decline of 26 percent

from those during the corresponding period of last year. The only export commodity which showed a substantial gain was sugar.

Regular weekly air service to Miami, Fla., is conducted by the Royal Dutch Air Lines. Air service between Jamaica and the United States mainland is soon to be established by the British West Indian Airways.

Canada

Economic Conditions

The struggle to maintain the price-wage ceilings in Canada in the face of strong pressures from increasing food prices and wage rates has been the center of interest in recent weeks.

RISE IN LIVING COSTS

The Government's cost of living index again moved up on September 1, to 119.4 compared with 119.2 on August 1, largely as a result of increased food prices. Unless the trend is reversed as of October 1 an additional cost of living bonus will become payable on November 15, putting additional funds into wage earners' pay envelopes and exerting further pressure on the price ceiling structure.

The current advance in the cost of living index is a repetition of the experience in the latter part of 1942. At that time, when mounting food prices were forcing the cost of living to the bonus adjustment point the Prices Board intervened to check the rise by rolling back the prices of milk, tea, coffee, and oranges through the payment of subsidies. In the present instance, if the cost of living has not declined of its own accord by October 1—and that does not seem likely—one of two alternative

Pertinent Comments on World Economy Today

(Being one of a series of excerpts from books, pamphlets, and speeches)

Japan's Economy, Post-War: A Challenge to Skill and Judgment

The Japanese in their own Japan are naturally a thrifty, hard-working, progressive people with great recuperative powers. Throughout their history they have become injured to and have surmounted great disasters—disasters wreaked by fire and flood, by earthquake and typhoon.

Given the opportunity, they will likewise overcome the ravages of war, even with their substance spent and their cities destroyed. Those recuperative powers must be wisely directed into the healthy channels of peaceful economic and cultural pursuits and away, forever, from military enterprise.

But many difficult problems will confront us in the post-war settlement with Japan—problems of industry, commerce, agriculture, and finance, of education and government. We are already preparing against the day when those problems will arise, but the time has not yet come when their solution can be decided upon in detail.

As a fundamental conception, I personally believe that the healthy growth, wisely guided in its initial stages, will have to come—through reeducation—from within. If an ancient tree is torn up by the roots and remodeled it will not live, but if the healthy trunk and roots remain, the branches and foliage can, with care, achieve regeneration.

Whatever is found to be healthy in the Japanese body politic should be preserved; the rotten branches must be ruthlessly cut away.

Only skilled hands should be permitted to deal with that eventual problem, upon the happy solution of which so very much in the shaping of our post-war world will depend.

(From a recent radio address by Former Ambassador Joseph C. Grew; published in the Department of State Bulletin.)

Brazil's Highway Progress

The Brazilian press reports that a bus left Recife (Pernambuco), Brazil, recently with 15 passengers bound for Rio de Janeiro, but it was not explained whether this trip was intended to inaugurate a regular bus service between the two capitals. Automobiles have already made the trip between these two cities, but it is questionable whether the highways are sufficiently well developed throughout the entire length to warrant attempting such service commercially.

The announcement does, however, bring out clearly the progress that has been made in expanding the highway systems of the country, comments the American Brazilian Association. It is not so many years ago that no motor roads existed in Brazil, but it is likely that within the next few years good roads will join all principal points.

Strangely enough, the rapid growth of aviation in Brazil has actually tended to retard road building, since the planes cover almost the entire country and there is not the same insistent demand for roads that there was before the advent of the sky liners.

courses must be followed: (1) payment of additional subsidies to drive food prices down; or, (2) payment of additional cost of living bonuses to wage earners in a wide range of industries.

WAR LABOUR BOARD RECOMMENDATIONS

Decision on the cost of living question is only one phase of the price problem. Much more important are the decisions which must be made on the recommendations of the National War Labour Board. These recommendations, the result of an extensive inquiry which the Board conducted into the whole field of labor relations and wage conditions, have not yet been made public. But the pivotal problem is how to increase the compensation of the lowest-paid workers without piercing the wage ceilings.

INDUSTRIAL ACTIVITY FLATTENING OUT

Recent figures on industrial activity and employment indicate that production is reaching its peak. Employment at the beginning of July expanded by only 1.4 percent, after a drop in May and a partial recovery in June. New plant facilities for the manufacture of steel, aluminum, and synthetic rubber are coming into production, but manpower shortages indicate that expansion in these industries must be at the expense of the already-restricted output of civilian goods.

The leveling out of the industrial graph after a continuous rise does not mean that a large volume of war material is not being produced. Canada recently observed with appropriate cer-

emonies the turning out of the 500,000th motor vehicle, the 100,000th Bren machine gun, the launching of the 200th cargo vessel, and the production of the first Lancaster bomber.

LARGE EXPANSION IN EXPORT TRADE

The wartime expansion in production and the important place Canada holds as a supplier to the United Nations were clearly shown in foreign-trade figures which the Dominion Bureau of Statistics has released for the first time in several years. July exports (exclusive of gold) were valued at \$303,600,000 and set an all-time high. The large expansion in July's exports—\$50,000,000 over those of June—is attributed to improvement in the shipping situation, permitting the outflow of war supplies which have been accumulating in Canada.

During the first 7 months of 1943 Canada's exports reached the impressive total of \$1,600,000,000, a gain of 22 percent over those of the corresponding period of 1942. Imports have not increased in the same proportion as have exports, being valued in July 1943 at \$151,000,000, an increase of only \$11,000,000 over the imports of the previous July, and \$24,000,000 over those of July 1941. The total for the first 7 months of 1943 was \$990,500,000 compared with \$982,000,000 in the first 7 months of 1942.

The foreign-trade figures illustrate Canada's billion-dollar aid to the United Nations. For example, exports to Britain, declared destination of most of the shipments so far this year, exceed the value of imports from Britain by \$500,000,000. This huge excess of exports over imports has been financed through the mutual-aid appropriation which Parliament passed last spring. In trade with the United States, Canada's exports were valued at \$613,000,000 in the 7 months and imports from the United States at \$808,000,000.

RETAIL SALES CONTINUE ABOVE LAST YEAR'S

In spite of the contracting supply of consumer goods, the dollar volume of retail sales in July was 8 percent higher than that of last year. July's trade followed the trend in recent months—increased dollar sales of wearing apparel, drug-store items, and foodstuffs. (The increased value of foodstuff sales was largely due to higher prices.) Decreases again occurred in sales of furniture, household electrical appliances, hardware, and other lines in which material shortages have curtailed production or stopped manufacture altogether.

One feature of the retail trade trend is noteworthy. Sales in urban areas have begun to dip below those of last year, but sales in rural communities have been running 15 percent above the 1942 level. Country stores have profited to an unusual degree from the increase in farm income and the gasoline ration restrictions on travel. Farm cash income in the first 6 months of 1943 was 25 percent higher than it was last year.

FIFTH VICTORY LOAN DRIVE

Canada's Fifth Victory Loan campaign will be launched on October 18, with a minimum objective of \$1,200,000,000. This is the highest goal set in any war

loan drive and compares favorably with the \$1,100,000,000 objective of the Fourth Victory Loan, which brought cash subscriptions of \$1,309,000,000.

Special emphasis is again being placed on selling bonds to individuals, drawing on their savings and current income for the double purpose of raising money for the war effort and checking spending on the diminishing supply of consumer goods. The aim is to obtain a minimum of \$525,000,000 from individuals and \$675,000,000 from corporations, insurance companies, and other nonbanking firms.

Federal expenditures in the current fiscal year were estimated in the budget at \$5,500,000,000. Of this total, war expenditures were estimated at \$3,890,000,000, aid to the United Nations at \$1,000,000,000, and nonwar expenditures at \$610,000,000. Revenues from income taxes, compulsory savings, and other sources were estimated at \$2,752,000,000, leaving a budget deficit of \$2,748,000,000 to be met by borrowing. More than 40 percent of these borrowing requirements were met in the Fourth Victory Loan. Success of the large Fifth Victory Loan undertaking will go a long way toward meeting the remainder of the Government's borrowing needs in the current fiscal year.

SHORTAGES OF LUMBER AND PULPWOOD

Production of lumber and pulpwood is much below requirements, principally because of the shortage of manpower in the woods. Lumber production in 1943 is estimated at 4,200,000,000 feet, a quantity inadequate to meet the war and civilian requirements of Canada, the United States, and Britain.

Production of pulpwood this year will be less than it was in 1942, and presents a problem in allocating supplies among the many industries which use pulpwood as a raw material. A joint United States-Canada-United Kingdom committee has been appointed to study the pulp and paper requirements and supply problem. Meanwhile, in a recent speech at Chicago the Canadian Timber Controller said that the shortage of pulpwood makes a reduction in newsprint production appear inevitable.

WINNIPEG GRAIN EXCHANGE CLOSED

The Government on September 28 ordered the closing of wheat trading on the Winnipeg Grain Exchange, closed accounts for the crops of 1940 and 1941 at September 27 (1943) closing prices, and raised the Government-guaranteed price for wheat from 90 cents to \$1.25 a bushel for No. 1 Northern grade. The Minister of Trade announced that the change in wheat policy was necessary because transportation and commerce difficulties had interfered with the normal function of the Winnipeg market and farmers had not been able to benefit fully from the rising prices. Pending completion of final arrangements all future prices and all cash wheat prices of all grades are fixed at the September 27 closing prices. No export sales may be made until further notice. All open-market purchasing of wheat from producers is to be discontinued. As a result of this action the Canadian Government, through the

Canadian Wheat Board, will own all unsold stocks of western Canadian wheat, except wheat held by producers on farms. Any losses resulting from the sale of this wheat will be absorbed by the Government.

Reflecting the shift of acreage from wheat to other grains and the drop to normal yields per acre in the West, the first official estimates of Canadian grain crops are below last year's by an amount approximately equal to the increase in carry-over. Canadian production, in millions of bushels, and percentages of last year's yield, given parenthetically, are as follows:

Wheat	296.3	(50%)
Oats	499.6	(77%)
Barley	222.6	(86%)
Rye	8.5	(34%)
Flaxseed	17.7	(118%)

Extremely heavy runs of hogs and cattle during the next few months are likely to be in excess of killing and cooling capacities at the plants. Even so, about 13 months will be required to fill this year's British bacon contract. Cattle prices have eased and are likely to fall to floor price levels if supplies exceed killing capacity. Purchases by the Government at support prices for slaughter and storage would require preemption of a part of the limited plant capacity. Desperate efforts are being made to get some farmers directed, after harvest-time, into packing plants instead of into the woods or the mines.

Dairy production this summer has been gratifyingly large. Excessive rainfall in eastern Canada, which injured grain crops, helped to produce excellent pasture and hay crops. During July, milk production per cow was 5 or 10 percent more than it was during July of any recent year. Creamery butter production during January-August was 15 percent greater than it was in that time last year, but this increase was partly offset by a 27 percent decrease in the less-important output of cheddar cheese. Stocks of butter on September 1st at 75,000,000 pounds, were 50 percent higher than they were a year ago, while stocks of cheese, at 49,000,000 pounds, were lower by 32 percent. Plans are being made to send some butter to the United Kingdom in addition to the large shipments of cheese.

Fruit crops, excepting apples in Eastern Canada, are short this year. Processors have experienced great difficulty in obtaining supplies in competition with demands for fresh fruit consumption, and price ceilings have been placed on fresh peaches, plums, prunes, pears and grapes. Vegetable canners obtained only meager supplies of peas for canning and the pack of corn and tomatoes also will be subnormal, unless late summer weather is unusually propitious. The United Kingdom and the United States are both interested in obtaining fresh apples from Canada this year, and it is possible that the dehydration of apples in Canada will be less than was expected.

Farm manpower shortages have been met this year by releasing soldiers for harvest work, by delaying the opening of schools and by the practically free transportation of over 2,000 farmers from On-

tario to the Prairie Provinces for temporary farm work. The United States also supplied a large number of tobacco primers and curers.

MARITIME PROVINCES

Although much expansion is no longer possible, owing to labor shortages, industry and trade in the Maritime Provinces were at a high level during July and August. War orders, with the exception of shipbuilding, fell off somewhat, but the volume of expenditures on National Defense remained large. The construction trades were reasonably busy and a good volume of military construction was still being initiated. January-June contracts approximating those of the first half of 1942. The volume of wholesale and retail trade was well maintained despite difficulties in obtaining supplies and shortages in some lines. In the grocery trade, certain goods were in short supply or unobtainable, and fruits and vegetables were offered at double last year's price. Money has been plentiful, however, and a decided increase in cash buying was reported.

Weather conditions in July and August improved somewhat after a cool, wet spring, which retarded planting operations and hindered the development of most crops. Grain yields in the Provinces of Nova Scotia and New Brunswick this year will not exceed 50 to 60 percent of last year's output. The anticipated shortage of feed grains for the coming winter will require greatly increased purchases of western grains, and the Government has granted a subsidy on grains purchased from July onward. It is estimated that Nova Scotia will produce about 1,500,000 barrels of apples this year. New Brunswick's production is estimated at 90,000 barrels, which is an exceptionally large crop for that Province. With the prospect of a bumper apple crop, Annapolis Valley growers in Nova Scotia now have reasonable assurance of market outlets for their entire crop. Much of this year's crop will be sold in the form of dried apples, canned apples, and vitaminized apple juice. While the bulk of the dried fruit will be shipped overseas, a considerable amount will be available for Canadian markets.

The Atlantic fisheries showed great seasonal improvement in June and July. Under arrangements between the Canadian and British governments, Canada will supply the United Kingdom in 1943 with 9,000,000 pounds of frozen fish, which is twice the quantity exported to that destination last year. Seven million pounds will be shipped from the Atlantic fisheries.

ONTARIO

In spite of depleted dealers' shelves, higher prices during the summer months have helped to maintain turnover at about the same level as it was last year. Heavy tourist and vacation bookings have encouraged demands for summer clothing, novelties, and sports goods. Unusual demand has also existed for hardware, paint, and lumber, while the shortage of potatoes and fresh fruits, together with restrictions on canned goods, has produced a situation where fruit shops are frequently sold out in a few hours. As

choice of civilian goods is gradually narrowed through increasing shortages, retailers are able to sell practically anything they can obtain, with the result that no orders are returned, whether right or wrong. A new feature in retail merchandise picture has been the complete closing during the summer of many stores, restaurants, and service establishments for from 1 to 2 weeks. In some instances this has been caused by exhaustion of the business quota of sugar or other rationed goods, but the usual reason has been inability to obtain sufficient help to permit vacations in rotation. In spite of gasoline rationing, summer resorts completed an extremely successful season, especially those not too far from railway transportation.

MANITOBA

The farmers in Manitoba continue to be prosperous, their increasing income from livestock making up for the lack of cash returns from the grain which they are being forced to store on their farms. Wholesalers are maintaining a turn-over well over 1942 levels and retailers report active business in unrationed lines. Practically all manufacturers are busy; collections are good in all lines; employment is at a high figure; and few people are on relief. Money is moving freely and many concerns are accumulating substantial cash balances. There are few failures, and many business houses are able to finance their transactions without the assistance of bankers.

The prospects are for a better than average crop, although much smaller than the bumper crops of last year. Wheat acreage in Manitoba was reduced by 15 percent and rye by almost 70 percent, but oats increased 10 percent, barley 16 percent, and flaxseed 25 percent, so that the acreage of principal grains is about the same as last year.

Although the investors have recently favored gold mining stocks, there has been no increased activity in the gold mines. The output of nonferrous metals

Belgian Farmers Refuse To Pay Fines

The widespread resistance of Belgian farmers to German requisitioning of their dairy products is revealed in an article in the Nazi-controlled newspaper *Le Soir*. The article, entitled "Obstinate Farmers in Verviers District," reads:

"Farmers in the Verviers district who refused to pay the heavy fines inflicted on them for insufficient milk deliveries are now being visited by control inspectors, accompanied by gendarmes from the 'special squadron.' Livestock has been seized at Andrimont, Disen, Polleur, Olne, Heusy, Theux, La Reid, Jalhay, and other places, the number of animals taken being as high as 300. The seizures were quickly carried out everywhere, and no serious incident occurred."

continues to increase slowly, being somewhat held back by the transfer of workers to farms for harvesting. Lumbering continues fairly active for this season but is handicapped by labor shortages. Efforts are being made to obtain labor for cutting fuel wood in view of the fuel shortage anticipated this winter. The fuel business has the third highest national priority, following only the Army and food production.

The industrial output of Manitoba is estimated to have reached \$250,000,000 in 1942 compared with \$212,000,000 in 1941 and \$163,000,000 in 1940.

An interesting new industry is the establishment, last year, of a glass factory, said to be the first factory in the world to manufacture electrically melted limestone glass. All of the materials used in manufacturing and packaging are obtained in Canada, except sand, which is imported from the United States at the rate of 8 tons daily.

Provincial finances continue to improve, the Dominion Government compensating the province for abandoning certain tax fields, and the revenue from

liquor and automobile licenses having been well maintained. The budget for 1943-44 anticipates a revenue of \$19,000,000 without new taxes, and expenditures of \$18,000,000. (Vice-consul Katherine E. O'Conner, Ottawa; Consul S. Reid Thompson, Halifax; Consul George G. Fuller, Winnipeg; Vice-consul E. T. Kelsey, Toronto.)

China

Transport and Communication

Highway Construction and Repair.—A total of 447 miles of new highways were constructed in Kiangsi Province, China, in 1942, to replace the 510 miles of roads destroyed. In addition, more than 1,550 miles of old roads were repaired or improved.

More than 4,000,000 piculs of goods reportedly were moved over the road transportation lines in 1942, of which some 50 percent consisted of salt and foodstuffs.

Colombia

Tariffs and Trade Controls

Importers Relieved of Obligation to Purchase "Certificates of Deposit."—Colombian importers have been relieved of the obligation to purchase "certificates of deposit" equivalent to 10 percent of the amount of foreign exchange drafts acquired for payment of their imports, by resolution No. 1634 of September 9, 1943, issued by the Minister of Finance. It also provided for the return to importers of deposits previously made in compliance with this obligation. The obligation to purchase such certificates was imposed in June 1943. This suspension was authorized following the easing of restrictions on the exportation of non-allocated materials by the United States.

Transport and Communication

Railroad Extensions Contemplated.—The most important of Colombia's public-works projects are the proposed extensions of the railroad system. Among these is the important Ibaguë-Armenia sector, the construction of which would give Bogota direct rail communication with the port of Buenaventura on the Pacific coast.

Another important extension is the proposed line north from Bogota to Bucaramanga and then to Cucuta. This will give Bogota a rail outlet to the lower Magdalena River, to Venezuela and to the Atlantic, when the Venezuelan section from Encontrados to Maracaibo is completed. This extension of the Ferrocarril del Norte Railroad is definitely contemplated, it is reported, for the immediate post-war period.

Road and Highway Construction.—The construction of roads and highways in Colombia has increased steadily over recent years, and despite the impossibility of importing all requirements, the number of miles of highway now being built or rebuilt is at a record peak.

The two most important highways under construction are those connecting

Cali with the Pacific coast at Buenaventura and Medellín with the Caribbean coast at Turbo—the latter forming an essential link in the proposed Pan American Highway. In addition, there is considerable grading and paving in progress, both in cities and towns and on certain more-important highways.

Costa Rica

Economic Conditions

General economic conditions in Costa Rica continued good during August. Both wholesale and retail trade were active because, as a result of better shipping conditions, a greater amount of merchandise was available for sale. Serious congestion developed at the port of Limon because of the heavy volume of imports, but the Government promptly took measures to relieve the situation, including a temporary reduction in the period of free storage.

The coffee and banana industries were in good condition, and prices remained at satisfactory levels. The past crop year was a profitable one for the coffee industry. Exports of bananas in August exceeded the good record of July. The cocoa industry, however, was still suffering from the spring blow-downs.

AGRICULTURE

Because the coffee season was nearing its end, exports registered a sharp decline in July. Most of the coffee exported was shipped to the Canal Zone and the remainder to the United States.

The demand for bananas in the United States has increased and all exports of that fruit were shipped to this country. Further increased production and export has been prevented, however, by the lack of an adequate supply of copper sulfate for spraying and by the continued shortage of shipping.

Cocoa exports in July were comparatively small, as a result of the damage inflicted by the spring storms. Shipments to Colombia and Mexico contributed to a decline in exports of cocoa to the United States.

Larger shipments of vegetables and fruits to the Canal Zone and an increase in sales of those products to Pan American Highway agencies were reported for August. Work on the abaca plantations of the Compania Bananera de Costa Rica continued to progress satisfactorily.

FOREIGN TRADE

A steady rise in the volume and value of imports has taken place in recent months, which is evidence that the backlog of orders which has been awaiting shipping is diminishing. Total imports in July showed an increase in both value and volume as compared with June, and although their value was greater than in July 1942, their volume was less. Slightly more than half of the value of July imports and slightly less than half of the volume was supplied by the United States.

The decline in total exports in July, as compared with those in the preceding month and in July 1942, may be attributed to the end of the coffee season and

New Zealand's Broadcasting: Some Unusual Arrangements

The Government-owned National Commercial Broadcasting Service controls all broadcasting of commercial advertising in New Zealand. There are no privately owned stations, and the National Broadcasting Service, another Government-owned chain, does not accept advertising.

The major stations affiliated with the National Commercial Broadcasting Service are on the air from 6 a. m. to midnight, and their daily schedules are divided into various "sessions." From 6 a. m. to 9 a. m., the breakfast session, 100-word, 25-word, and slogan announcements, only, may be included. Features, announcements, and women's programs are offered from 9 a. m. to 5 p. m.; and war news, features, announcements, and children's programs from 5 to 6:30 p. m. The evening period, from 6:30 to midnight, is devoted to features and announcements. Only sustaining programs are broadcast on Sundays; no advertising is permitted.

All the sessions are "rationalized" between national and local advertisers, certain times being set aside for each.

The total number of radio receiving licenses in effect on March 31, 1943, was 368,189. On this basis, it is estimated that approximately 87 percent of all the homes in New Zealand are equipped with radios and that the potential listening audience is 1,380,000 out of a total population of 1,640,000.

the effect of bad weather on the cocoa industry. Shipments to the United States represented the bulk of the volume and a little more than half of the value of total exports.

COST OF LIVING

Prices continued the downward trend which began in June, but at a retarded rate. The general index of all wholesale prices fell from 172.54 at the end of July to 169.76 (1936=100) at the end of August, the decline in prices of domestic goods being greater than those of imported merchandise. The general index for the cost of living in San Jose decreased during the month from 172.76 to 169.20. Nevertheless, August prices were still considerably above those of August 1942, when the general index of wholesale prices stood at 137.93 and the general index of the cost of living at 129.92.

NEW LEGISLATION

The new labor code, which was presented to Congress last April, was approved, with no major changes, by that body on August 20 and went into effect on September 15. It had the strong support of the labor unions, but was vigorously opposed by conservative business interests.

A law for the improvement of agriculture became effective on August 26. It provided for the establishment of a National Agricultural Center whose efforts will be directed toward increasing the quantity and quality of the country's agricultural output. Provision was also made for establishing branches of the Center in various parts of the Republic.

On August 10, a decree was promulgated, which extended the cattle-protection law for another 10 years, encouraged the importation of such pure-bred stock as cattle and horses, and provided for the creation of an agricultural and livestock experimental station. The decree also authorized the issuance of 400,000 colones in short-term bonds, the proceeds of which are to be used exclusively for the establishment and protection of a national fishing industry.

Cuba

Tariffs and Trade Controls

Hogs for Breeding Purposes: Import Regulations Amended.—The Cuban customs' provisions regulating the entry into the country of hogs for breeding purposes have been amended to permit the duty-free importation of specified varieties of hogs during a 2-year period, according to a decree of the Ministry of Agriculture effective upon publication in the Official Gazette of September 3, 1943. The types of hogs which may be admitted during that period are as follows: Berkshire, Poland China, Duroc Jersey, Hampshire, Yorkshire, Chester White, Large Black, Landrace, and Tamworth.

A certificate of pedigree issued by an official association, and a veterinary's certificate showing that the hog has been vaccinated against cholera and septicemia, both legalized by a Cuban consul, must be presented for each hog imported.

[Hogs were previously admitted duty-free, but as no special varieties or time period was given, it was difficult, in advance of customs clearance, to know whether or not the hogs would be admitted duty-free.]

Beef: Export Prohibition Modified.

The prohibition on the exportation from Cuba of cattle, meat, and meat products, originally established December 30, 1941, has been modified to permit exports of these products, in a regulated amount, until July 1, 1945, to the Commodity Credit Corporation of the United States, according to presidential decree No. 2625, promulgated in the Gaceta Oficial of September 14, 1943. Exports to other than the Commodity Credit Corporation are prohibited until July 1, 1945.

According to the decree, for every 11 head of cattle slaughtered for domestic consumption 1 shall be made available for export to the Commodity Credit Corporation, but not more than 5 percent of such cattle are to be exported as live animals. In addition, Friday of each week has been designated as a "Day of War Cooperation" and on this day the distribution and consumption of beef as well as the slaughter for Cuban consumption is prohibited.

[See FOREIGN COMMERCE WEEKLY of March 21, 1942, for announcement regarding the establishment of an export embargo on meat and FOREIGN COMMERCE WEEKLY of May 2, 1942, and May 29, 1943, for amplification of the export control of beef and other meats.]

Rough Diamonds: Regulations Governing Application of Draw-back Established.—The regulations governing the application of the drawback of 95 percent of import duties on imported rough diamonds which are later exported after processing have been established by Cuban presidential decree No. 1600, published in the Gaceta Oficial of September 7, 1943.

In order to receive the benefits of the drawback the importer must first apply to the Collector of Customs for the authority to import and process diamonds for reexport, and the finished product must be exported within 6 months after importation.

[See FOREIGN COMMERCE WEEKLY of July 3, 1943, for announcement of extension of application of drawback provisions of the customs tariff to rough diamonds.]

Dominican Republic

Wartime Commodity Controls

Tires and Tubes: Regulations for Sale and Distribution Established.—Regulations governing the sale and distribution of tires and tubes in the Dominican Republic have been established by a Dominican presidential decree No. 1367 of August 31, 1943.

The decree states that the sale, purchase, or transfer of tires and tubes may be made only with the permission of the National Commission of Transport and Control of Petroleum. Persons desiring to acquire tires or tubes as well as those who desire to exchange old tires and tubes for new ones must first get a per-



mit from the president of the National Commission for Transport and Control of Petroleum.

In addition, applications for tires and tubes must be accompanied by a certificate issued by the local chief of police testifying to the need of the applicant for tires. All tires must be registered. Periodic inspections will be made by the National police to determine whether the tires used by particular vehicles correspond with those specified on the registration certificate. Prices will continue to be fixed by the National Commission of Transport and Control of Petroleum. Importers, however, are required to submit cost prices of all tires received by them as well as the amounts of such shipments.

Vehicles used in official, diplomatic, or municipal services are excepted from the decree's provisions.

Eire

Transport and Communication

Dublin-Liverpool Air Service Establishes Record.—The Dublin-Liverpool air service operated by Irish Air Lines, Ltd., in association with West Coast Air Services, Ltd., has established a new record for passenger traffic.

Returns for July 1943 show that 1,347 passengers were carried compared with 1,055 during July 1942, although the number of miles flown was less by 1,220.

All of the 54 flights scheduled were completed; and the percentage of seating space utilized was 93.13.

Irish Firm Acquires Italian Steamship.—The Italian Steamship *Caterina Gerolimich* (net registered tons 3,326.28) which has been tied up in Dublin since Italy's entry into the war, has been acquired by Irish Shipping, Ltd.

El Salvador

Economic Conditions

The improvement in the import situation in El Salvador continued during August. Business conditions were good, retail sales in July having continued to increase for the second successive month. General price control regulations, aimed at curbing excess profits, are expected to be promulgated shortly. The need for increased wages, particularly for commercial employees, is being recognized by Salvadoran employers.

AGRICULTURE

The 1943-44 coffee crop is expected to approximate 1,050,000 bags (of 60 kilograms each)—a 15-percent increase over the previous crop. Salvadoran coffee exporters have reduced their offers to producers, but the Salvador Coffee Company has guaranteed to buy the "deferred export quota" at prices only slightly lower than United States ceiling prices, and this prospect is exerting a stabilizing effect on the market. About 8,000 bags of the 1942-43 crop, which is of a lower grade than the rest, still remained unsold as of the close of August.

Practically all of El Salvador's surplus sugar will be exported to Mexico. Many cattle have been shipped to that country, and the shipment of more is dependent upon the granting of export licenses by the Ministry of Finance. On August 18 the Ministry formally advised persons engaged in foreign commerce not to purchase goods for export without previously obtaining export licenses.

The figure for the 1942-43 cotton crop has now been set at 6,882,140 pounds. The greater part of the crop has been purchased by the local textile mills, and a portion exported to Guatemala. It is estimated that the 1943-44 crop will be about 25 percent smaller than the present one.

On August 1 the Ministry of Finance prohibited the exportation of all basic foods, principally corn, beans, and rice, which resulted in an almost immediate drop in prices, that of corn falling from 1.50 colones to 1 colon (1 colon=\$0.40) per "medio almud" (about 9 pounds) by the end of August.

FOREIGN TRADE

Exports of coffee, sugar, cotton, rice, textiles, vegetable oils, earthenware, and gold and silver were recorded during August. Trade with Mexico and the other Central American countries has greatly increased. Further improvement

in the shipping situation is reported, and customs receipts for July showed an increase in imports over the corresponding month of 1941 and 1942. Total receipts for the first 7 months of 1943 are also greater than those in similar periods of the last 3 years.

PRICE CONTROLS AND RATIONING

The problem with regard to basic food crops will be one of the first to be considered when the new price regulations are issued by the Ministry of Finance. The principal element will be control over profits. Maximum prices for certain imported articles in short supply continue to be fixed. Price control in these cases has been exercised in connection with rationing, distribution being based on licenses issued to individuals by the Committee of Economic Coordination. During August such action was taken with respect to certain brands of cement, steel for the manufacture of tools, pewter, and plain galvanized iron sheets. A shortage of cement no longer exists, but controls are maintained to assure the efficient use of existing supplies.

BUSINESS CONDITIONS

Retail sales in July moved upward for the second successive month and were greater both in volume and value than in any month of 1943, except March. Since the period from May through October is generally one of comparative inactivity, the unseasonal increase in sales reflects the greater volume of imported goods and the relative stability of purchasing power. The colon value of retail sales at shops similar to United States department stores increased from 116 in June to 131 in July (1938=100). Dry goods sales rose in value from 142 to 185, drug sales from 131 to 145, while hardware declined from 179 to 152, the average for all commodities rising from 142 to 153.

During the same period prices of imported goods increased by an average of

2 percent, principally because of a rise of nearly 7 percent in dry-goods prices. In terms of volume, sales of dry goods and drugs in July were more than 15 percent above the monthly average for the first 6 months of 1943, while department store and hardware sales about equaled the average. The price of corn increased over 50 percent in July, but returned approximately to the June level by the end of August, following its export prohibition. Domestic leather and textiles were somewhat higher in price.

LABOR AND WAGES

Representative Salvadoran business men have agreed that employees should receive higher wages, and the Mortgage Bank of El Salvador has taken the first step by raising the salaries of about 70 percent of its employees by an average of 25 percent. It is likely that increases will become general during the next 3 months. The October-November peak of employment in agriculture will probably push wages upward in that industry, and it is expected that the salaries of railway and general commercial employees, and perhaps those of teachers and some other Government employees, will also be raised.

Discontent caused by higher wages paid to stevedores on a piece-work basis and the fact that fewer ships are now being handled at the port was responsible for a 1-day strike of dock workers and lightermen at the port of La Libertad. They were granted hourly increases in pay of from 25 to 33 percent.

France

War-time Commodity Controls

Sugar: Special Tax on Stocks of 1941-42 Crop.—A special tax of 191 francs per 100 kilograms has been imposed on stocks of sugar held in France from the 1941-42 crop, by a law of November 21, 1942, and an order of January 15, 1943, the latter published in the *Journal Officiel* of April 28, 1943.

Quarry and Dredging Products: Special Sales Tax Fixed.—A special sales tax, not to exceed 0.30 percent of the value of products extracted or manufactured by members of the Organization Committee for Quarry and Dredging Products, has been established in France to cover administrative expenses of the committee, effective from January 1, 1943, by an order of April 16, published in the *Journal Officiel* (Vichy) of April 21, 1943.

This tax is increased by 40 percent during 1943 for the benefit of the Central Office for Distribution of Industrial Products.

French North Africa

Exchange and Finance

Taxes in French Morocco Increased.—In an effort to meet increased local government expenses, aid the French war effort through contributions to the

Indians in Canada's Gold Mines

An interesting sidelight on the present labor situation in Canada has been the employment of an experimental scale of Indians in gold mines. One mine in Ontario opened a school to teach 80 Indians in its employ the technique of mucking, tramming, track laying, timbering, and other essential operations.

The language problem presents a difficulty, but it is expected that with time and patience this will be surmounted to some extent. Many of the Indians will return to their trap lines in the winter, but, for those who remain, arrangements are being made to house and feed them for the winter. Summer living accommodation offers no difficulties as they live in tents near the mines.

French Committee of National Liberation, and absorb excess spending power to avoid inflation, several "dahirs" have been issued during July and August 1943 increasing various taxes in the Protectorate of Morocco.

The first, dated July 29, 1943, raised most of the rates of the "tertib," or tax on agricultural production, including such items as the rate on acreage of hard wheat, on acreage of soft wheat, on vineyards, and on domestic animals. The rates on other items, such as acreage for oats, remain unchanged. This dahir appeared in the Bulletin Officiel of August 4, 1943.

Another dahir of July 31, published August 6, 1943, increased fees for registration of documents, for stamp taxes on legal papers, for negotiable instruments, securities, bills of lading, receipts, passports, hunting licenses, advertising posters, and the like.

The third dahir, dated August 23, 1943, raised the income-tax rates as follows: 2 percent on income less than 40,000 francs (\$800) a year; 4 percent on income more than 40,000 francs but not exceeding 60,000 francs (\$1,200) a year; and 6 percent on all income over 60,000 francs a year. These new rates became effective September 1, 1943. Originally instituted as a war measure by a dahir of October 30, 1939, the former income tax was 2 percent on income of 50,000 francs or less and 4 percent on all exceeding that amount.

The fourth dahir, also dated August 23, 1943, increased the special tax on business profits, effective as of January 1, 1943. A comparison of the new and previous rates is set forth in the following table:

Tax on annual business profits: Francs	Rate set Apr. 12, 1941: Per- cent	Rate set Aug. 23, 1943: Per- cent
Not over 150,000.....	2	3
150,001 to 300,000.....	3	6
300,001 to 400,000.....	3.5	9
400,001 to 500,000.....	4	9
500,001 to 1,000,000.....	6	12
Over 1,000,000.....	6	15

NOTE.—The third and fourth dahirs were published in the Bulletin Officiel of Sept. 3, 1943.

Unblocking of Certain Bank of France Notes in Tunisia—Partial unblocking of bank deposits made with Bank of France notes in Tunisian banks was effected by instruction of the Direction of Finances in the "Regency" during September 1943. Deposits not exceeding 5,000 francs were completely unblocked. Deposits arising from notes of the Bank of France of more than that sum, but not exceeding 50,000 francs, could be released up to 50 percent of their total, including a minimum of 5,000. This applied only to depositors of Allied or friendly nationality. Enemy nationals had to obtain special dispensation for the release of any of their funds.

During the enemy occupation of Tunisia, Germans and Italians circulated large quantities of Bank of France notes in payment of high prices and generous wages, so that there resulted considerable inflation. The reestablished French



U. S. Department of Agriculture

regime sought to combat inflation by declaring the notes no longer legal tender, except in the smallest denominations, and ordering their deposit in designated credit institutions. These deposits were blocked to bring down prices and to freeze the accounts so that the authorities could scrutinize the transactions from which they arose and punish those who sought financial gains through collaboration with Axis agencies.

Germany

Tariffs and Trade Controls

Import and Export Duties and Turn-over Equalization Taxes in "Ostland" Removed on Imports From and Exports to Germany.—German goods imported into the "Ostland" (German-occupied area comprising mainly Estonia, Latvia, and Lithuania) were exempted from import duty and from the turn-over equalization tax, with a few exceptions (so far as this tax does not exceed 2 percent ad valorem), by an order of July 9, 1942, published in the Reichszollblatt of August 14 (just received).

The turn-over equalization tax was fixed as follows on specified German goods, in percent ad valorem: Leaf tobacco, 50; sugar, 25; beer, 40; cigars, 35; cigarettes, 60; pipe and other manufactured tobacco and waste, 50; cigarette paper and tubes, 40; and matches, 22.

This order also exempts goods exported from the "Ostland" to Germany from export duty.

German Import Duties, Export Duties, and Turn-over Equalization Tax Removed on Trade With the "Ostland" and the Ukraine.—Goods originating in the "Ostland" and in certain other occupied Eastern territories, or in the Ukraine, were exempted from import duty and turn-over equalization tax upon importation into Germany, except tobacco and tobacco products, by a German decree of April 25, 1942, and orders of September 2 and October 26, 1942, published in the Reichszollblatt on September 10 and October 31, 1942 (just received).

Exports to the "Ostland" and the Ukraine from Germany were also exempted from export duty.

German Import and Export Duties Removed on Trade With Government-General Area of Poland.—Effective December 1, 1942, the German import and export duties and turn-over equalization taxes on most imports from and exports to the Government-General area of Poland were abolished by an order of November 25, 1942, published in the Reichszollblatt of November 26.

The imports excepted from this exemption were wines, tobacco and tobacco products, and mineral oils.

[The Government-General area was omitted from the list of exempted areas in the item on Germany, "Import and Export Duties on Most Trade With Occupied Areas Abolished," in FOREIGN COMMERCE WEEKLY of January 9, 1943, since the text of the order, specifically mentioning the Government-General, had not then been received. Imports into Germany from all of the occupied areas (except those of the Soviet Union) were also exempted from the turn-over equalization tax by this order.]

Mineral Oils From Government-General Area of Poland: Import Duties Reduced.—German import duties on mineral oils from the Government-General area of Poland have been reduced to rates which, plus the additional tare percentage, equal the consumption taxes on German mineral oils, by an order of January 23, 1943, published in the Reichszollblatt of January 30.

Mineral-oil products not subject to consumption tax when produced in Germany are exempted from import duty.

Import Permits No Longer Required for Most Articles; Goods from Belgium and Government-General Area of Poland Not Restricted.—The list of articles (about 50 items) subject to import permit in Germany since 1939 was replaced by a brief list of articles (chiefly postcards, letter cards, postage stamps, and the like), by an order of October 2, 1942, published in the Reichszollblatt of October 13.

Such articles from German-occupied Belgium and the Government-General area of Poland are exempted from import permit.

Permits Not Required for Exports of Most Goods to German-Occupied Territories.—Export permits are no longer required for the exportation of most goods from Germany to the occupied territories of Norway, Belgium, France, the Government-General Area of Poland, the "Ostland" and other occupied Eastern areas, Serbia, and Greece, effective from October 20, 1942, by an order of October 5, published in the Reichszollblatt of October 13, 1942.

By exception, export permits are still required for a brief list of articles, including postcards, letter cards, certain forms, postage stamps, mailing bands and wrappers, and maps and plans of Germany, when exported to the above areas except Belgium and the Government-General Area of Poland. To these two areas, export permits are required only for maps and plans, or travel material containing such maps of Germany.

German Import, Export, and Transit Restrictions Applied in Occupied Territories of Karnten and Krain.—German restrictions on importation, exportation, and transit of goods and the law on

Tariff Commission Report on "Commercial Policies and Trade Relations of European Possessions in Caribbean Area"

The United States Tariff Commission has just issued a report entitled "Commercial Policies and Trade Relations of European Possessions in the Caribbean Area." Preparation of this report was prompted by the intensified interest of the governments and peoples of the Western Hemisphere in these possessions since the outbreak of the war, particularly from a military and economic point of view. The United States is especially interested in these areas because the problems they present are similar in some respects to those encountered in Puerto Rico.

With few exceptions, the report points out, the economies of the European possessions in the Caribbean area are based on tropical agriculture. In their international trade the colonies, with few exceptions, are dependent upon the export of one or a few agricultural or forest products. The war, and the accompanying shortage of shipping, therefore has affected them severely, although some of the British colonies have been aided through the purchase by the British Government of their crops of sugar, cotton, bananas, and citrus fruits.

Because most of the possessions are importers of foodstuffs as well as of manufactured products, the drastic decline in imports has created special hardships; in some colonies, however, the shortage of foodstuffs has been partially alleviated through programs of subsistence farming.

As a result of the war the channels of trade of most of the European possessions in the Caribbean area have shifted markedly. Before the war most of their trade was with the "mother" countries. With few exceptions this trade has been cut off, and the United States, Canada, and the Latin American countries are now the principal markets for the products of these possessions, as well as the chief sources of their imports.

Examined in the report are the physical characteristics, economies, commercial policies, and trade relations of all the European possessions in and near the Caribbean area. Copies of this report may be purchased from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., at 40 cents per copy. (Orders should not be sent to the Tariff Commission.) Remittances should accompany orders sent to the Superintendent of Documents; stamps are not acceptable in payment for publications. A discount of 25 percent is allowed on purchases of 100 copies or more.

foreign-trade statistics were applied in the German-occupied territories of Karnten and Krain (Yugoslavia), by orders of August 13, 1942, published in the Reichszollblatt of September 24 (just received).

Guatemala

Tariffs and Trade Controls

Import Duty Reduced on Unspecified Fresh Fruits Imported by Air Express.—The Guatemalan import duty on unspecified fresh fruits, when imported by air express, has been reduced from 0.15 to 0.03 quetzal per gross kilogram by an Executive decree published September 14, 1943, and effective the day following. The import duty on unspecified fresh fruits imported by other means remains unchanged at 0.15 quetzal per gross kilogram.

Kenya

Tariffs and Trade Controls

Special Gasoline Duty Repealed.—The repeal of the special customs duty on gasoline of 5 cents per imperial gallon, levied in August 1942, was announced in the Kenya Gazette of June 1, 1943.

Vegetable-Seed Distribution Controlled.—The government of Kenya is endeavoring to procure a sufficient supply of vegetable seed for the colony's

1944 requirements by direct importation of bulk orders and by raising seed locally.

Home-grown supplies are expected soon to meet requirements for the main types of vegetable seeds. Importations of South African seed have been permitted, but when other supplies are adequate such import licenses will be restricted to special cases.

Arrangements are being made for distribution of both domestic and imported seed to former regular importers on a pro-rata basis. The Director of Agriculture may institute special measures to meet particular essential needs.

Firms desiring seed are to submit applications giving particulars of their 1938-41 trade and their 1944 requirements; these applications constitute an undertaking to purchase the seed at officially fixed prices.

Madagascar

Tariffs and Trade Controls

Special War Tax on Exported Colonial Products.—A special war tax of 3 percent ad valorem was established on a considerable list of colonial products exported from Madagascar and Dependencies, by an order of December 31, 1942, supplemented by orders of March 12 and June 7, 1943. The order of June 7 was published in the Journal Officiel of Madagascar on June 19, 1943.

This tax is calculated on the amount (when this is more than one-tenth) by which the value for calculation of export duty on each product exceeds the value fixed for the third quarter of 1939.

Mexico

Tariffs and Trade Controls

Bat Guano Prohibited Exportation.—The exportation of bat guano from Mexico has been prohibited except with the express authorization of the Ministry of National Economy, by an Executive decree, promulgated July 29, 1943. This action was taken to conserve this fertilizer for domestic agriculture.

Netherlands

Tariffs and Trade Controls

Import Duties and Excise Taxes Removed on Goods Imported on German Account From Occupied France and Belgium.—In furtherance of the policy of eliminating customs barriers between Germany and the occupied areas, the Reich's Commissar for the Occupied Netherlands Territories ordered the cancellation of Netherlands import duties and excise taxes on goods imported on German account from occupied France and Belgium, according to the German technical press of February 12, 1943.

The press states that this development is of special value to French and Belgian firms producing partially manufactured goods which are then shipped to the Netherlands for additional processing prior to shipment to Germany.

Nicaragua

Economic Conditions

The severe drought during July and August in several departments of Nicaragua reduced by more than 50 percent the production of corn, beans, and rice, the most important food crops. Foreign trade showed little change and followed the familiar pattern of shrinking imports and swelling exports. Shipments of gold decreased because of the shortage of materials, and the local press reported the probable closing of two of the larger mines. The cost of living continued to be high.

AGRICULTURE

The 1943-44 coffee crop has now been estimated by local growers and dealers at approximately 220,000 to 240,000 bags. The prospect of lowered coffee production from the lack of rain has been more than counterbalanced by smaller losses from the "derrame," or falling of the coffee berries from their branches, resulting in a more favorable outlook than was previously anticipated.

The rainfall of 12½ inches during the first 7 months of 1943 was the lowest recorded at Managua for 18 years. Crops were reported to be completely destroyed in certain areas of the Departments of Managua, Leon, Masaya, and Carazo, the

most important producing regions of corn, rice, and beans. However, good yields of these crops were reported in the Department of Chinandega, where the rainfall is believed to have been considerably higher. Prospects for the second plantings of corn, which will be harvested in December, also appear brighter. The 100,000 quintals (1 quintal=101 pounds) of corn carried over from last year will alleviate the corn shortage until the second crop matures. In spite of present shortages, exports of rice and corn during the first 7 months of 1943 were reported to be the largest in Nicaragua's history.

The National Bank of Nicaragua has authorized 45,112 acres to be planted under bank loan up to August 25, 1943. Most of the acreage was sown in sesame, followed by rice and corn. Sesame exports during the 7-month period, January 1 to July 31, exceeded many times total exports of that product for 1942.

INDUSTRIAL ACTIVITY

No significant change appeared in industry. Production of a well-known soft drink started in the first week of July, and plans are being made to double the present bottling capacity in the near future.

The local tobacco company, Tabacalera Nacional de Nicaragua, has placed a new cigarette on the market until such time as sufficient United States tobacco is obtainable for the manufacture of its former best quality brand cigarette.

A new industry—the manufacture of chewing gum—is contemplated on a small scale.

MINING AND CONSTRUCTION

Gold and silver exported in July represented a decrease when compared with

both June 1943 and July 1942. Exports for the first 6 months of 1943, however, fell only slightly below those of the corresponding period of 1942.

Preliminary plans have been completed for the new general hospital at Managua. The total cost is estimated at 3,000,000 cordobas (1 cordoba=\$0.19) and will be financed by revenue of the Managua Light & Power Co.

COST OF LIVING

Living costs have remained high, retail prices of fresh vegetables showing the greatest increases. Stocks of foodstuffs, particularly flour and canned foods, appeared sufficient for normal needs. Rents in the higher income brackets continued to increase in spite of a rent law which aims to control rents at the April 1942 level.

EMPLOYMENT

Employment on the Pan American Highway remained about the same in July as in June. The discharge of several hundred skilled and semiskilled laborers would result should two of the larger gold mines close down, as is reported probable by the local press. There was no unemployment in most sections of the country in July.

Paraguay

Wartime Commodity Controls

Agricultural Products: Minimum Prices Established.—Guaranteed minimum prices for the principal agricultural crops for the 1943-44 season were established in accordance with the Paraguayan Government's Minimum Agricultural Campaign Plan (decree law No.

12680 of 1940), by decree No. 19278 of August 5, 1943.

Distribution and Rationing-Control Agency Established.—The Advisory Board of the Paraguayan Department of Industries and Commerce, consisting of representatives of the Ministry of Defense, the Ministry of Public Works and Communications, the Ministry of Agriculture, and the newly created Ministry of Commerce and Industry (under which it will function), was established as the control agency for the distribution and rationing of articles of general necessity, by Paraguayan decree law No. 192 of September 2, 1943.

[For announcement of the establishment of the Coordination Commission, forerunner of the new agency, see FOREIGN COMMERCE WEEKLY of October 24, 1942.]

Tariffs and Trade Controls

Corn: Exports Prohibited Except Under Permit.—The exportation of shelled corn ("maíz en grano") was prohibited except by authorization of the Ministry of Agriculture, Commerce, and Industry, by a Paraguayan decree of August 6, 1943, announced in "El Paraguayo," the official organ of the Department of Press and Propaganda. It was stated that the purpose of the decree was to protect the public interest by preventing the exportation of new corn exclusively and the retent of old warehoused stocks for domestic consumption.

Rumania

Transport and Communication

Railroad Construction.—Railroad construction between Bombesti and Livezeni is being undertaken by the Rumanian State Railway Administration. New contracts to total 1,468,167,000 lei are reported by the foreign press.

Radio Transmitting Station to be Built.—A radio transmitting station is to be built by the Engineer Aurel Roanovici Enterprises, Ltd., of Bucharest, Rumania. The contract for the construction of the station is to be completed by July 15, 1944, the Nazi press says, and the station is to be in operation by December 15, 1945, at the latest.

Cost of the project is estimated at 500,000,000 lei.

Sweden

Transport and Communication

Freight Index Figures Show Further Decline.—The Baltic freight index compiled by Svenska Handelsbanken (Sweden) showed a further decline to 301 in July—a decrease of 2 points. The index for pulp freight was 250 in July compared with 256 in June.

An agreement was reached in June regarding a supplement to the Swedish-German shipping agreement. This agreement provided for certain compensation payments to ships delayed because of deferred deliveries to German

(Continued on p. 40)



It Also Stands for Volume!

News by COMMODITIES

Aeronautical Products

CANADA ESTABLISHES ADVISORY PANEL FOR AIRCRAFT INDUSTRY

The Canadian Ministry of Aircraft Production has created an advisory panel to study the application of wood in aircraft construction with the following objectives: To improve the quality of wooden aircraft and components; to aid production by technical improvement of processes; to make the most effective use of available timber; and to improve the quality of glues.

The panel will also examine problems which confront the aircraft industry, such as wood-construction technique, priorities, and the need for research and development. In addition, it will serve as a channel for information from related bodies in the United States and elsewhere abroad, and give advice on specification requirements.

Beverages

GIN NOW PRODUCED COMMERCIALLY IN EIRE

A firm in Cork, Eire, is now manufacturing gin on a commercial scale and has

Brazil Examines Post-War Coffee Outlook

The newspaper "Correio de Manhã" of Rio de Janeiro recently called attention to the importance of Brazil's taking early steps to supply Europe with coffee as soon as the war ends. This means in the first place adequate transportation facilities, though, with the excess of shipping that will doubtless be afloat when hostilities cease, this does not promise to be a serious problem.

The point is to organize a definite program before the need arises. A second and more difficult question will be that of financing shipments of coffee to stricken Europe, for the Brazilians realize how improbable it is that the people of the Nazi-occupied countries will have financial resources of sufficient moment to handle enormous transactions of this size.

Europe is practically stripped of coffee, so a great many million bags of coffee will be required to bring stocks anywhere near normal requirements.

begun to distribute it throughout the country. The gin is reported to be of exceptionally fine quality. Production is limited, however, and only a small proportion of the domestic demand can be supplied.

Chemicals

PYRETHRUM SEED FLOWN TO BRAZIL FROM BRITISH EAST AFRICA

A shipment of 2,000 pounds of pyrethrum seed was recently sent by air from British East Africa to Brazil, the British press reports.

It is expected that additional supplies will follow.

MATCH PRODUCTION, KIANGSI PROVINCE, CHINA

Four factories in Kiangsi Province, China, produce enough matches to meet the needs of the Province and to supply neighboring Provinces, according to press reports from China. The industry provides employment for between 30,000 and 40,000 refugees.

CHEMICAL IMPORTS INTO INDIA DECLINE

Imports of chemical products into India during the fiscal year 1942-43 declined from the preceding year, according to the British press.

In 1942-43 imports were valued at 46,861,000 rupees, whereas in the preceding fiscal year they amounted to 55,341,000 rupees.

INDIA'S COAL-TAR DYE IMPORTS DECLINE

India's imports of coal-tar dyes were somewhat smaller in the fiscal year 1942-43 than in the preceding 12-month period, according to statistics recently published in the British press.

Coal-tar dyes imported in 1942-43 amounted to 38,263,000 rupees; in 1941-42 they totaled 47,713,000 rupees.

PROSPECTIVE FERTILIZER DISTRIBUTION, NEW ZEALAND

Farmers in New Zealand will receive the same amount of fertilizer for crops and for top dressing grassland in the 1943-44 season as was available during the period ended June 30, 1943, according to an announcement by the Minister of Agriculture.

In 1942-43, farmers received a maximum of only 28 percent of the quantity of superphosphate allowed in 1940-41.

Coal

INCREASED PRODUCTION, ALBERTA, CANADA

Production of 3,875,097 tons of coal in Alberta, Canada, is reported by the Canadian press for the first half of 1943, representing an increase of 268,976 tons over the 3,606,121 tons produced in the January-June 1942 period.

The arrival of a crew of men at Eyre-moore, near Brooks, to establish a camp at the site of the Birnwell mine on the north side of the Bow River is also reported.

Official figures for total coal production in Canada during the first 6 months of 1943, however, showed a decline—to 8,853,962 tons, compared with 9,468,709 tons in the corresponding period of 1942.

JULY SHIPMENTS FROM SOUTH AFRICA

Shipment of coal from the Union of South Africa in July 1943 totaled 173,068 long tons, records of the South African Railway show.

Construction

DEVELOPMENTS IN THE CANARY ISLANDS

The shortage of building materials in Tenerife, Canary Islands, continues. However, the market place, which has been under construction, is now nearly completed, and work on the Banco Hispano-Americano building is making progress.

Construction on the hangar at the civil part of the "Rodeos" Airfield (La Laguna) is progressing slowly.

Cement is needed badly for waterways used for irrigation purposes.

A contract has been awarded for the construction of two apartment buildings for laborers at Las Palmas de Gran Canaria, at an estimated cost of 1,700,000 pesetas. One building is to contain 16 apartments and the other 28. Each of the flats in the two-story buildings is to include three bedrooms, a living-dining room, a kitchen, and a shower-toilet room, and is to have an average of 80 square meters (861 square feet) of space.

RECONSTRUCTION PLANS, BULGARIA

The Bureau of Construction in the Ministry of Public Works is making a study of types of village houses to be built in Bulgaria. Some modern architectural types have been used in building the new village of Gorsko-Kosovo near Sevlievo.

One objective of the Bureau's architects is the preservation of old architectural types—characteristic national architecture. In rebuilding towns the old architectural types and styles will be preserved where possible.

CONTROL OF BULGARIAN RIVER PLANNED

The Ministry of Agriculture of Bulgaria has announced the completion of a plan for the control of the Struma River. Dykes are to be built and other measures taken to strengthen the banks. A program to reforest large areas along the course of the river is included in the plan.

A total of 400,000 cubic meters of dams and 400,000 square meters of breakwaters will be built; and 360,000 lineal meters of wattle will be put in place.

CANADA EARMARKS FUNDS FOR HOUSING UNITS

The sum of \$1,000,000 has been earmarked for Canada's Government home-conversion plan, says the Canadian press. The program is to convert suitable buildings into multiple housing units. The average cost of construction is not to exceed \$1,500 a unit in any one building.

A total of \$250,000 will be spent in Hamilton, St. Catharines, and Brantford; \$500,000 in Montreal and Quebec; and expenditures are not to exceed \$250,000 in Ottawa, as a similar amount was allotted previously to that city.

CONSTRUCTION DECREASED IN WINNIPEG, CANADA

A decline in construction activities is reported in Winnipeg, Canada. For the first 8 months of 1943 only 890 permits for public construction were issued, as compared with 1,207 during the same period in 1942, and 1,402 in 1941. Permits for private construction totaled 240, most of which were for small buildings or alterations. In 1942, for the same period, permits number 290, and in 1941 they were 393.

A survey made recently indicates that at least 10,000 new homes are needed in Winnipeg. The city owns several thousand sites already surveyed which can be used when the city-wide housing and town-planning program is put into effect. The city council has set up a committee which will employ a professional town-planner. At present vacancies are 0.2 percent; 5 percent is considered normal, and 3 percent in the danger zone.

IRRIGATION PROJECTS IN CHINA COMPLETED

The Province of Szechwan, in Central China, has completed 15 major irrigation projects in the past 5 years at a cost of cn\$41,500,000, irrigating 49,400 acres of land and increasing land values by an estimated cn\$283,000,000, according to the Chinese press.

The annual increase in value of agricultural production as a result of these projects, it is claimed, totals cn\$137,000,000.

Reservoirs and wells completed during the same period have increased the value of production to an estimated cn\$106,000,000 from 36,630 acres. Major irrigation projects started last year total 17 and are expected to bring production to the value of cn\$150,000,000 a year from 33,000 acres.

HOUSING SHORTAGE IN HUNGARY ACUTE

The housing shortage continues in Budapest, Hungary, and over 50,000 applications for houses were received by the housing office, according to European press dispatches.

The city is in a position to meet the needs of but 2,900 families by the construction of small houses in the immediate future. The municipality owns 60 buildings with suitable attics which could be transformed for top-floor lodgings, it is reported, to house 4,000 to 5,000 persons.

The use of prefabricated houses imported from Finland is being considered to ease the housing shortage. The building costs of a stone house are no

higher than the prefabricated wooden houses, but the necessary construction materials are not available.

NEW ZEALAND'S HOUSING PLAN PROGRESSING

The first 100 houses in a construction program for New Zealand, announced in May, were to have been completed by July 1. A total of 3,600 "state" houses were designed particularly to relieve the housing needs of Wellington and Auckland.

Returned servicemen were reported to have a 50-percent preference in the allocation of all houses to be built, as compared with the 25 percent previously announced by the Prime Minister.

HIGHWAYS TO BE BUILT IN PANAMA

Surveys will start soon for a highway between Chiriqui Province and Bocas del Toro, to provide land connections between the two most productive provinces of the Republic of Panama.

The problem confronting the Ministry of Public Works is the decision as to which is the better of two available routes, both of which would start at Lino a few miles north of Boquete. The longer route (65 miles) goes north through the rich Chanquinola agricultural zone to Almirante, where there are modern wharf equipment and a good harbor. The shorter route (35 miles) extends northeast to Robalo, located on Chiriqui Lagoon, a salt-water basin capable of receiving the world's largest fleets, but which will require the expenditure of a considerable sum for docking facilities.

Construction will begin as soon as the surveys are completed and will include the construction of telephone and telegraph lines.

PUBLIC WORKS PLANNED IN PERU

The ministry of public works of Peru has been empowered to survey and prepare estimates for water, sewage, and street paving works in the city of Cerro de Pasco, Department of Junin.

New allotments have been made to reclaim 4,000 hectares (1,619 acres) of land in the Province of Lucanas, Department of Arequipa, and to improve the water supply from the Pisco River in the Department of Ica, both projects totaling 240,000 soles (\$156,046).

PUBLIC-WORKS PROJECTS IN ROMANIA

Several public-works projects in Rumania are reported by the Nazi press. Construction of two water reservoirs is projected in the Constanza area at a construction cost of 5,500,000 lei and 2,500,000 lei, respectively. A reservoir is planned in the town of Alexandria to cost 20,000,000 lei. This reservoir is expected to give an adequate supply of drinking water for the area. Additional supplementary work at an estimated cost of approximately 300,000,000 lei includes the installation of pipes, filtering stations, and other buildings.

The completion of a water tower of reinforced concrete and a reservoir to hold 450 tons of water is reported in the town of Suzan.

The building of an electric-power station at Azuga has been decided upon by the authorities. The work is to cost 5,643,617 lei.

Dutch Know Real Meaning of "Scarcity"

The following regulations have been issued in the Nazi-occupied Netherlands for the purchase of shoes with wooden soles:

1. The buyer sends in a written application to the storekeeper.
2. The storekeeper files the application, even if he has no stock on hand.
3. When the storekeeper receives stock, he is not allowed to sell but sends the list of applications to the authorities for approval.
4. The buyer gives a receipt for the shoes he has bought.
5. Applications may be sent in only once every 3 months, even if an application did not result in the purchase of a pair of "klompen" (wooden shoes).

A credit of 200,000,000 lei has been allotted the Ministry of Public Works to continue construction of refrigeration installations at the cattle market located in Bucharest.

Electrical Machinery and Equipment

CHINA'S POWER HOUSES

Five provincial power houses are in operation in Kiangsi Province, China. These are located in Kian, Kanhsien, Taiho, Tayu, and Kwangtseh. In addition, there are about 20 commercial power companies.

ELECTRICAL APPLIANCE FACTORY IN CHINA

An electrical-appliance factory was established in Kiangsi Province, China, in 1942 after the merger of the provincial radio-manufacturing concern and the Min Sen Battery Factory. Electric cells and various types of telecommunication apparatus are being produced.

POWER CONSUMPTION IN FRENCH MOROCCO

Additional restrictions on the consumption of electric power were instituted in French Morocco in August because of the prolonged drought and the poor condition of machinery in the power stations, particularly in the steam plant in Casablanca.

The new restrictions (based upon 1942 consumption) are:

1. Food conservation and irrigation pumping stations—15 percent reduction.
2. Private consumers using less than 20 kilowatts per month for lighting and/or domestic use—40 percent reduction instead of 30 percent previously in effect. Consumers of over 20 kilowatts per month—60 instead of 50 percent reduction.

3. Mines and various industries—60 instead of 50 percent reduction.

4. Theaters, cafes, saloons, pastry shops, milk shops, and all other commercial and industrial establishments not necessary to war effort or of little importance in supplying food—80 instead of 50 percent reduction.

No further restrictions were placed upon railway or other public-service companies.

[In kilowatt-hours]

Item	January	February	March	April	May
Systems.....	159,550,395	152,036,205	169,767,921	154,834,081	162,347,569
Individual plants.....	22,443,308	20,969,798	22,952,727	20,920,303	23,465,865
Private service enterprises which sell power.....	2,846,583	2,092,416	2,249,722	2,263,778	2,339,252
Cooperatives.....	1,760,131	1,598,820	1,646,405	1,574,859	1,595,917
Other plants.....	323,990	270,434	300,637	274,109	281,999
Total.....	186,924,497	176,967,673	196,917,412	179,867,110	189,030,602

NEW ELECTRICAL DIVISION IN PARAGUAY

An Electrical Division to regulate and control the maintenance and repair of electrical installations in Government buildings has been created in Paraguay as part of the Ministry of Public Works and Colonization.

Duties of the Division will include establishing standards for the use, repair, and conservation of electrical materials and installations in Government build-

ings, and suggesting improvements or changes necessary to make present installations conform to the new standards.

The Division has been authorized to set up and equip a laboratory to facilitate its work.

SPAIN TO EXTEND ELECTRICAL NETWORK

Energía Eléctrica de Cataluña, one of the largest suppliers of current to the Barcelona area of Spain, has applied for authorization to augment its existing network. The company wishes to add three new transmission lines, for a total of about 3 miles, to carry three-phase, 3-kilowatt current.

IRAQ'S ELECTRICAL IMPORTS DECREASE

The value of Iraq's imports of electrical goods in 1941 totaled 159,000 dinars, according to figures published recently in a foreign trade journal. This was a decline of approximately 25 percent from 1940, the greatest decreases being in machinery and telephone and telegraph cable. The United Kingdom was by far the leading supplier.

The following table shows the value of imports of leading classes of electrical goods in 1941 and the amount of increase or decrease compared with 1940:

Description	1941	Amount of increase or decrease compared with 1940
Dynamos, motors, converters, transformers and choking coils for main distribution under Government approval:	Dinars	Dinars
Total.....	2,400	-12,700
United Kingdom.....	1,400	-13,700
Czechoslovakia.....	1,000	+1,000
Dynamos, etc., for other purposes:	7,500	-1,100
Total.....	5,200	-1,300
United Kingdom.....	2,200	+1,200
Batteries, accumulators and plates for motor vehicles and vessels:	9,600	+400
Total.....	4,600	+400
United Kingdom.....	5,000	+400
Pocket lamp batteries:	800	-1,000
Total.....	250	-70
United States.....	400	-450
United Kingdom.....	60	-170
Other accumulators and batteries:	6,400	+1,900
Total.....	5,500	+2,200
United States.....	800	-300

Description	1941	Amount of increase or decrease compared with 1940
Electro-mechanical and domestic equipment, not exceeding 15 kilograms:	Dinars	Dinars
Total.....	350	-950
United Kingdom.....	240	-470
United States.....	90	-330
Heating units (resistances):	430	+130
Total.....	350	+150
Other, unspecified, electro-thermic apparatus:	320	+10
Total.....	250	+220
Filament lamps and tubes:	9,500	+1,300
Total.....	6,900	+2,300
United Kingdom.....	1,200	+700
Hungary.....	1,200	+700
Are lamps:	1,100	-100
Total.....	20	-330
United Kingdom.....	1,000	+200
Japan.....	170	-230
Other lamps: Total.....	1,160	+150
Electro-medical apparatus: Total.....	1,160	+150
Radio tubes:	1,160	-750
Total.....	650	-750
United States.....	390	+80
Radio receiving apparatus:	24,600	-2,400
Total.....	20,600	+6,600
United States.....	3,800	-2,700
Other radio material: Total.....	1,900	-2,400
Telegraph and telephone apparatus:	33,000	+10,500
Total.....	1,800	-1,500
Signalling apparatus: Total.....	700	-800
Transmission cables: Total.....	3,000	-37,400
Telegraph and telephone cables and wire for authorized public purposes: Total.....	18,800	+2,100
Ditto for other purposes:	17,700	+5,200
Total.....	1,700	-2,100
Insulators:	2,200	-4,300
Total.....	1,700	-2,100
Switch and regulating apparatus for main distribution under Government approval: Total.....	300	-2,100
Ignition apparatus (except for aircraft vehicles and ships): Total.....	400	.....
Meters:	4,400	-3,600
Total.....	3,700	-3,500
United Kingdom.....	600	+600
Electric fans:	6,100	-16,900
Total.....	500	-13,000
United States.....	5,500	+700
Other electrical appliances and accessories:	20,800	+3,800
Total.....	14,500	+1,800
United Kingdom.....	2,900	+800
United States.....	1,900	+1,550
Japan.....	1,900	+1,550

1 Mainly from United Kingdom.

Steel Shipping Drums: Critical Situation Looms

A critical situation will develop in steel shipping drums in the fourth quarter of 1943, the War Production Board Containers Division stated several days ago. This is due in the main to a suddenly increased demand from several claimant agencies.

The increase has resulted in a condition whereby a considerable tonnage of steel allotted under CMP for making steel drums for the fourth quarter cannot be scheduled in steel mills because their schedules are already filled, representatives of the steel shipping-container industry reported at a recent meeting of the Industry Advisory Committee at Washington.

Members of the Industry Advisory Committee were told by the WPB Steel Division that an effort was being made to achieve maximum facilities for finishing drum-sheet products.

Some additional steel may be made available, the Steel Division advised, through the use of cold-rolled steel sheets. A study is being made of the availability of other substitutes, but the industry was disposed to believe that cold-rolled steel probably will be the principal substitute for the regular drum-sheets. Manpower was said to be another limiting factor in present steel-drum production.

Essential Oils

BRAZIL PRODUCES MINT AND MENTHOL OIL

At current prices the production of mint oil and menthol is now the most profitable extractive industry in Brazil, reports the foreign press. This situation is largely the result of demands of the United States market which has been the greatest stimulant for those products.

About 1,700 alqueires (1 alqueire=5.9 acres) are being planted to mint for the coming season, according to the Secretary of Agriculture of the State of Sao Paulo, and since 200 kilograms of oil per alqueire are extracted, a total production of 340 metric tons is expected next year.

The official register contains the names of 61 distilleries, 55 of which are in the district of Presidente Bernardes in the Alta Sorocabana region.

According to estimates of members of the trade, 1942-43 production of mint oil will be approximately 50 metric tons

and of crystal 20 metric tons. If the yield runs as anticipated, the next crop will be 10 times as large as the current harvest.

A member of the Instituto de Pesquisas Tecnológicas at Sao Paulo states that almost all the oil is the Japanese type of *Mentha arvensis* and consists of 75 to 80 percent menthol.

CHINA'S OUTPUT OF ESSENTIAL OILS VARIED

The Kiangsi Province of China refines vegetable oils for fuel, states an official report, and, in addition, annually produces about 1,000 kilograms of menthol crystal, 20,000 kilograms of peppermint oil, and 20,000 kilograms of camphor.

Foodstuffs and Allied Products

FOOD PRESERVATION IN ARGENTINA

The preservation and processing of food, such as freezing, chilling, and canning, are carried on extensively in Argentina. The freezing and canning of meats are leading industries. Canning of fruits and vegetables provides the domestic requirements of these products as well as some quantities for export. The drying of eggs is a new development since the beginning of the war. Fruit drying is a relatively small industry, and dehydration of vegetables is in the trial stage. Experimental work in meat drying has been carried on for about 2 years and can now be considered as on a commercial basis, although the volume of meat dried is relatively small.

Commodities now being dehydrated commercially are eggs, fruits, milk, and meat. A few plants are equipped to dry vegetables on a commercial scale but, with the possible exception of potatoes, not much has been done so far.

The following table shows estimated production of various dehydrated products during the years ended on June 30, 1942, and 1943:

[In metric tons]

Item	1941-42	1942-43
Dried fruit.....	6,800	14,200
Dried eggs.....	2,000	4,500
Dried milk.....	1,300	1,500
Dried meat.....		10,500
Dried vegetables.....	100	100

FOOD CROPS IN SAO PAULO, BRAZIL

The Secretary of Agriculture of Sao Paulo, Brazil, has announced estimated area planted to the principal food crops in that State, in the agricultural year August 1, 1942, to July 31, 1943, to be as follows:

Commodity	Acres
Coffee.....	3,819,485
Corn.....	1,794,560
Rice.....	832,858
Beans.....	594,660
Oranges.....	136,535
Mandioca.....	209,045
Bananas.....	113,785
Potatoes.....	72,575
Peanuts.....	61,902
Grapes.....	11,952
Sugarcane.....	11,015
Pineapples.....	4,840

Coffee and Cocoa

BRAZILIAN COCOA PRODUCTION AND TRADE

The 1943 intermediate cocoa crop of Brazil is reported by the Cocoa Institute of Bahia to be about 350,000 bags of 60 kilograms each. The total crop for the 1943-44 season is expected to reach 1,700,000 bags.

Exports of cocoa beans from the State of Bahia, Brazil, during August 1943, amounted to 159,335 bags as compared with 68,127 bags in the corresponding month of 1942.

Port of Bahia arrivals and exports of cocoa beans in August and stocks on hand at the end of August for the years 1939-43, inclusive, were as follows:

[Bags of 60 kilograms each]

Cocoa beans	1939	1940	1941	1942	1943
Arrivals.....	286,602	243,452	267,398	114,666	149,117
Exports.....	258,376	132,340	214,190	68,127	159,335
Stocks.....	81,890	166,983	98,556	285,408	239,743

Under present government regulations, all exporting is done through the Cocoa Institute of Bahia, which also acts as a price-fixing agency. All cocoa beans are consigned to the Cocoa Institute by the growers who receive in advance at the farms 13.00 cruzeiros (cruzeiro equals about 5 cents U. S. currency) per arroba of 14.688 kilograms for superior quality and the remainder at the end of the crop season, in proportion to the profits of the Cocoa Institute.

ECUADOR'S CROP OF COCOA BEANS HIGH

The cocoa crop of Ecuador in 1943 promises to exceed the 1942 crop. Ordinarily, cocoa receipts at the port of Guayaquil during August would show a decline under previous months, but actual receipts in August this year amounted to 20,002 quintals (1 quintal=101.4 pounds) compared with 15,683 quintals in July 1943. Most of the cocoa beans came from the Province of El Oro, where the crop has exceeded expectations.

During the first 8 months of 1943, deliveries of cocoa beans to Guayaquil increased by 91,106 quintals, or 43.6 percent as compared with the similar period of 1942.

Cocoa exports from Ecuador during August 1943 amounted to 527,488 kilograms (kilogram=2.2046 pounds) valued at \$104,169, according to an unofficial source, as compared with 1,312,467 kilograms, valued at \$241,686, in August 1942.

NICARAGUA'S COFFEE EXPORTS

About 3,805 bags, 60 kilograms each, of coffee were exported from Nicaragua during August 1943, according to the Nicaraguan Coffee Quota Board. August exports were approximately the same as exports in July.

Since the beginning of the coffee quota year on October 1, 1942, until August 28, 1943, a total of 192,828 bags of coffee have been exported.

Dairy Products

EIRE SHIPS POWDERED MILK TO ENGLAND

A cooperative creamery in Mallow, County Cork, Eire, is reported to have



shipped 562 tons of milk powder to England since May 1, 1943. Since 1 gallon of milk produces only 1.2 pounds of powdered milk, these shipments represent the export of more than 1,000,000 gallons of milk, less its water content. It is stated that the powdered milk is made from whole milk and consequently contains the natural butter fats.

Fruits

BANANA EXPORTS FROM COSTA RICA

Banana exports from Costa Rica in August 1943 amounted to 289,670 stems, an appreciable increase over the 208,124 stems exported in the preceding month. Exports of bananas in August 1942 totaled 296,437 stems.

Lack of shipping facilities and a shortage of chemicals for spraying purposes continue to retard the industry.

PLENTIFUL BERRY CROP IN EIRE

The Irish fruit market will be glutted with blackberries this year, according to the local press, since the British authorities, while permitting the importation of fresh blackberries and bilberries, under license, have decided not to grant licenses for the importation of blackberry pulp from Eire.

Most of the blackberry exports from Eire have been in the form of pulp, and last year about 500 tons of it were exported at a value of about £22,000.

HONDURAS ENABLED TO SHIP MORE BANANAS

Hondurans were much encouraged by the Government's announcement on August 17, that six ships would be added to the fleet now plying between Honduran north-coast ports and the United States. Effects of increased shipping were felt immediately in the banana industry. The 594,488 stems of bananas shipped in August surpassed July's large total by 100,000 stems. Employment by the banana companies jumped by 600

Ipecac Now Under Allocation

Ipecac, an imported dried root used in medicine, and its derivative, emetine, have been placed under allocation by the War Production Board through issuance of Allocation Order M-350, effective November 1. Ipecac is imported principally from Brazil, Nicaragua, and Costa Rica.

Order M-350 provides that no supplier shall deliver or use ipecac or emetine except as specifically authorized in writing by WPB, or under the exemptions allowed by the order. After November 1 a supplier must obtain from his customer a certificate of intended use and then must file Form WPB-2947 (formerly PD-602) with WPB in seeking authorization to deliver.

The supplier must file Form WPB-2947 with WPB by the 20th of October in seeking authorization to make deliveries or use ipecac or emetine in November. In succeeding months, the supplier must file WPB-2947 by the 20th of the month preceding that in which delivery or use is planned.

Exemption from authorization is made for delivery by any supplier to any person in any month of 25 pounds or less of ipecac or 1 ounce or less of emetine. Delivery by any person to any other person for compounding into standard dosage forms for medicinal purposes pursuant to toll agreement also is excepted from authorization.

to 19,010 persons. Independent banana planters look to the future with increased optimism.

Grain and Products

CHINA INCREASES RICE AND WHEAT CROPS

The high light of the Government of Free China's 1944 program for the increase of food production is the promotion of better rice and wheat crops through increased acreage and the use of improved seeds.

The acreage planted to improved rice seeds in China is to be increased to 12,000,000 mow (2,000,000 acres) as compared with 4,000,000 mow (666,667 acres) in 1943. Improved wheat seeds will be planted on 5,000,000 mow (833,333 acres) in 1944, twice the area planted to improved seeds in 1943.

The National Agricultural Research Bureau is in charge of the project, assisted by Provincial agricultural extension stations and the various colleges of agriculture.

GRAIN YIELD OF IRAN INCREASING

Production of wheat in Iran in the current year, ending March 20, 1944, is estimated at 1,650,000 metric tons, as compared with 1,100,000 to 1,200,000 tons in the previous year, which ended March 20, 1943.

There are no figures available on the consumption of wheat in Iran but it is estimated that 300,000 tons will be required to feed the 96 Iranian urban centers which will be fed by the Department of Cereals.

In the past 6 months, 8,771 tons of wheat were imported from India and Iraq and about 25,000 tons from Soviet Russia. In addition 5,978 tons of corn and 6,410 tons of millet were imported from India and Iraq.

The exportation of wheat from Iran is prohibited by law. No statistics have been issued as to present stocks, but it is reported that 8,110 tons from last year's crop are at present in the Tehran silo.

The domestic trade in wheat and barley is a monopoly of the Department of Cereals of the Ministry of Finance.

In the year ending March 20, 1944, it

is estimated that barley production will amount to 550,000 tons as against 504,000 to 560,000 tons in the year ended March 21, 1943.

Horses and mules belonging to the Iranian Army are reported to consume about 30,000 tons of barley in a normal year. A limited quantity of barley is mixed with wheat but by far the largest percentage of the Iranian barley crop is consumed as feed for animals.

In the past 6 months, 8,311 long tons of barley have been imported from India and Iraq. Exportation is prohibited.

HAITI BECOMING SELF-SUFFICIENT IN RICE

Rice imports practically reached the vanishing point in the Haitian 1942-43 fiscal year (October 1, 1942, to September 30, 1943) now drawing to a close. The question is being asked: Will Haiti ever again need to buy foreign rice in substantial quantities?

Rice imports into Haiti declined from 6,894,000 kilograms in 1928-29 to 11,487 kilograms in 1941-42, and imports in the first 9 months of 1942-43 were only 51 kilograms.

Ten years ago the Haitian Department of Agriculture organized a campaign to stimulate rice production. Experimental plantings were begun with selected seed types; later seed was distributed to planters. Imports stood at 1,000,000 kilograms in 1937-38 and in that year 27 kilograms were shipped abroad. In 1940-41, exports totaled 999 kilograms, but in 1941-42 they were 370,219 kilograms.

The Government's estimate of the past year's harvest is 15,245,000 kilograms of paddy rice, or roughly 7,500,000 kilograms of decorticated rice. The potential available supply is about 5½ pounds per capita per annum.

Meats and Products

EIRE'S BAN ON RABBIT-MEAT EXPORTS EXTENDED

The official prohibition of the export of rabbits from Eire was extended to October 1, 1943. It was originally announced that the ban would be in force until September 1. The reason for the extension is that September weather is

unsuitable for the safe transit of rabbit meat, and the export of off-grade meat at the beginning of the season would harm the reputation of the Irish product abroad.

It is expected that £1,000,000 worth of rabbit meat will be exported to the United Kingdom during the fall and winter months and that the price will remain unchanged, namely 10½ pence a pound, freight paid to a British destination.

Vegetables and Products

STIMULATION OF SOYBEAN PRODUCTION IN UKRAINE, U. S. S. R.

The cultivation of the soybean in the Ukraine, U. S. S. R., is to be extensively promoted, according to a systematic plan, under the direction of German experts, states the Axis press.

"In order to extend the cultivation of soybeans further south, efforts are being made to develop a type of seed which will grow even in arid areas. Furthermore, the development of a seed with a shorter period of vegetation would permit the cultivation of soybeans in the northern regions as well.

"The present northern limit for soybean cultivation is Proskurov-Finniza-Poltova-Farkov, while the center of cultivation in the Ukraine is Kirevegrad and Dniepropetrovsk."

Glass and Products

REVIVAL OF SCOTTISH GLASS INDUSTRY ADVOCATED

To relieve Glasgow's dependence on the heavy industries, the revival of the area's glass industry was advocated at a recent exhibit called "New Uses for Glass," says the British press. When the Glasgow glass industry was at its peak, about 100 years ago, annual production of 15,000,000 bottles was the record of one firm.

Iron and Steel

CANADA'S STEEL PRODUCTION EXPANDED

Canada's steel production has doubled since the beginning of the war, the Canadian press reports.

The Dominion's requirements for 1943 are estimated at almost 5,000,000 tons. Domestic mills are expected to produce more than 3,000,000 tons of this amount. A substantial increase in productive capacity and economy in use have enabled Canada to meet all heavy obligations, it is stated.

Expansion has been greatest in alloy steels for guns, armor plate, and machine tools, the output of which is now five times the 1939 figure. Production of steel ingots is expected to reach a yearly rate of more than 3,000,000 tons by the end of 1943, whereas annual production in 1939 was 1,500,000 tons.

Additional rolling and finishing mills with modern equipment are now in operation, and steel foundry capacity has also been expanded.

Shell steel production is running about 250,000 tons annually.

CHINA'S PRODUCTION OF IRON, STEEL, AND CEMENT INCREASED

Quoting the Minister of Economic Affairs on the marked improvement in the provinces of Free China since the beginning of the war, the Chinese press reports production increases of 5 percent in cast iron, 281 percent in steel, and 150 percent in cement.

Leather and Related Products

SWITZERLAND LACKS LEATHER FOR SHOES

Further tightening of production restrictions in Switzerland is necessitated

by lack of material, especially of sole leather for shoes. The situation is especially critical for manufacturers of house shoes, many of them having been forced to close their factories.

Livestock

PRODUCTION OF LIVESTOCK IN FRENCH MOROCCO

Statistics obtained from the Protectorate Government on the production of livestock in French Morocco are shown in the following table, covering the average number of livestock for the years 1934-38, and, separately, for the years 1939 to 1942, inclusive:

Livestock	Average 1934-38	1939	1940	1941	1942
Horses.....	211,515	187,550	186,821	220,900	202,000
Mules.....	133,176	146,700	143,104	152,519	154,000
Donkeys.....	707,788	604,200	643,326	717,587	718,000
Cattle.....	1,991,250	1,870,800	1,953,600	2,130,000	2,155,800
Sheep.....	9,433,919	10,798,000	10,974,000	11,914,000	12,000,000
Goats.....	5,794,328	6,115,000	6,325,000	6,947,000	6,950,000
Pigs.....	72,190	51,875	68,600	125,400	175,000
Camels.....	155,978	140,360	149,719	163,300	164,200

Lumber and Products

CANADIAN TIMBER DAMAGED

Damage to white spruce and balsam timber by the spruce budworm in the Lake Nipigon area of Ontario, Canada, has been widespread this summer, a Canadian trade journal reports. Various measures have been taken, including the use of airplanes, in attempts to destroy concentrations of these worms.

DENMARK TO SELL LUMBER TO SWEDEN

Lumber negotiations with Denmark have recently been concluded, the Swedish press reports. Provision has been made for the sale of only 15,000 standards (1 standard equals 1,980 board feet) during the second half of 1943. It is hoped, however, that some additional sales may be permitted later.

in the country and wooden plows are used by about 290,000 farmers cultivating more than 1,000,000 hectares of land.

The Vistad factory in Valjevo, now the principal producer of iron plows, is said to be considering the manufacture of other types of farm implements. This factory is capitalized at 30,000,000 dinar.

Medicinals and Crude Drugs

INCREASED OUTPUT OF SACCHARIN IN SWEDEN

Sweden's requirements of saccharin have quadrupled to 80 metric tons a year since the war began.

The Swedish producers of saccharin are optimistic because the domestic commodity is of high quality and the cost of its production is low. The price of domestic saccharin has never been greater than 20 crowns (4.2 crowns=\$1) per kilogram, but when production began, imported saccharin cost 2½ times that much. To brighten the domestic outlook further, one of the raw materials, permanganate of potassium, used in the manufacture of saccharin, is being secured now as a manganese byproduct.

CINCHONA PLANTING IN EAST AFRICA

The planting of cinchona trees for the production of quinine will be undertaken soon in Uganda, British East Africa, according to a recent report from the British press.

Naval Stores and Resins

INDIA'S EXPORTS OF LAC DIMINISHED

Exports of lac from India declined substantially in the fiscal year 1942-43 from the previous 12-month period, according to statistics recently published in the British press. Lac shipments in 1942-43 were valued at 28,902,000 rupees, whereas in 1941-42 they amounted to 49,174,000 rupees.

UNITED KINGDOM CONTROLS ITS TRADE IN TURPENTINE AND ROSIN

The United Kingdom's trade in turpentine and rosin continues at controlled levels, says the British trade press. Conditions in the domestic market are governed by the amounts available for distribution. Substantial quantities of both commodities are being delivered for consumption against essential contracts, most of which are on official account. The demand from consuming industries is well maintained and additional amounts of naval stores could find a ready market.

Machinery, Other Than Electrical

MEXICO IMPORTS FARM MACHINERY

Mexico imported 281 plows and 126 tractors, valued at 29,636 and 1,315,967 pesos, respectively, during the first quarter of 1943. The value of other farm machinery imported during the 3-month period was reported to be 158,651 pesos.

YUGOSLAVIA IS MAKING FARMING IMPLEMENTS

The production of iron plows was started in Serbia, Yugoslavia, the middle of last year, and approximately 4,000 have been made since that time, states the Nazi press. At present, primitive implements are used almost entirely in Serbia. There are only 104,698 harrows

Large Deliveries of Fats and Oils to Soviet Union

The War Food Administration reported recently that deliveries of edible fats and oils to representatives of the Soviet Union during the first 7 months of 1943 totaled 264,000,000 pounds.

Vegetable oils, mainly linseed oil, constituted by far the most important single item—158,000,000 pounds. Also included was lard, 38,000,000 pounds; shortening, 25,000,000; butter, 17,000,000; oleomargarine, 12,000,000; tallow, 12,000,000; and oleo oil, 2,000,000 pounds.

These quantities are expected to ease Russia's critical fats-and-oils situation somewhat, but per-capita consumption still will be low. It is estimated that per-capita consumption of fats and oils in June 1943, the last period for which information is available, was less than half that of the United States.

Russia's supplies of fats and oils were short before the war. With Axis forces still occupying some of the most productive areas of the country, supplies have been curtailed even more. It is believed, for example, that production of lard and vegetable oil has been reduced by more than half.

The Russians, through necessity, have learned to "stretch" their supplies of fats and oils. Linseed oil, largely utilized in paints in the United States, is used by the Russians in bakery products, for frying, on salads, and in cooked cereals. Lard has become a spread for bread, taking the place of butter among the civilian population. Most of the butter and oleomargarine goes to the army and to hospitals.

Nonferrous Metals

TIN PRODUCTION IN BRAZIL

A tin-producing area in the vicinity of the city of Sao Joao del Rey, Brazil, (discovered in the last months of 1942) gives promise of producing only a portion of the cassiterite needed for domestic consumption. Output of 30-40 tons monthly was reported early in 1943 when two small furnaces, one of which was in effective work, were reducing metallic tin.

All are placer deposits, and those of Santa Rita, Nazare, and Santo Antonio areas are the more important. In large valleys, a few kilometers long, tin bearing gravels are distributed irregularly; some beds or lenses are from a few to several meters wide and up to one meter thick. No geisen is known.

Small veins are being prospected, but so far only alluvial tin has been found. Exploration work being done under the direction of the Departamento Nacional da Producao Mineral may revise an early estimate which placed reserves at 1,000 tons.

CANADA'S GOLD AND SILVER OUTPUT DECREASED

Gold production in Canada during the first 6 months of 1943 is officially reported at 1,972,677 ounces, compared with 2,512,116 in the corresponding months of 1942, a drop of 21.5 percent.

The output of silver declined from 9,844,956 ounces during January-June 1942 to 9,504,628 ounces during the corresponding months of 1943.

The cumulative output of the gold and silver mines in Ontario, Canada, during the first 7 months of 1943 is officially reported at 1,270,230 ounces of gold and 189,111 ounces of silver, compared with 1,628,796 ounces of gold and 271,496

ounces of silver in the January-July 1942 period.

Gold output in July 1943 dropped to 164,155 ounces from the 231,315 ounces reported for July 1942.

EXPORTS FROM HONDURAS INCREASED

The value of exports of gold and silver from Honduras in August 1943 increased to \$114,157 from the \$75,172 reported for July.

CONTROL OF LEAD PRICES IN SPAIN

To prevent inflation of domestic prices of lead in Spain, a new Special Service for Lead has been organized by the Government as a branch of the Vertical Syndicate of Metals. Lead prices in Spain are maintained at a level so low that mining would not be profitable were it not for the high prices obtained from foreign sales. To stimulate production, profits made through the sale of refined metal abroad are distributed by the Syndicate among mines, smelters, and refineries.

Current Spanish production of lead metal is estimated at 34,000 metric tons, 21,000 metric tons of which are reserved for the domestic market, leaving 13,000 metric tons for export.

MINING DEVELOPMENTS IN PERU

The recently organized Volcan Mines Company, one of Peru's large potential producers of lead and zinc concentrates, is preparing a mine near Tiole on the Continental divide for output of 300 short tons of ore daily.

Peru Molibdeno, S. A., chief producer of molybdenum concentrates in Peru, has a contract with Metals Reserve Company involving a loan for the expansion of production facilities.

The concentrator (800-ton daily capacity) of the Cerro de Pasco Copper

Corporation is practically completed and will be used to treat copper ores. It was originally planned for lead-zinc ores, in connection with proposed electrolytic zinc plant that was postponed because of the war.

The expansion program of Minas Ragra of the Vanadium Corporation of America is progressing, though reported to be somewhat retarded by labor shortages.

A plant of the Cerro de Pasco Copper Corporation is in operation for the recovery of white arsenic from the flue dust obtained from the Cottrell plant of the Oroya smelter.

From the Camana field in Southern Peru, a small but steady production of sheet mica is being obtained.

Nonmetallic Minerals

ASBESTOS TO BE MINED IN WESTERN AUSTRALIA

Formation of the Australian Blue Asbestos Co., Ltd., capitalized at £100,000 is reported by the foreign press. The company is to be engaged in mining and processing high-grade asbestos deposits in Western Australia.

MICA MINING DEVELOPMENTS IN CANADA

Two mica mines in the Eau Claire district of Ontario are among the four largest mica mines in Canada.

The Purdy Mica Mines, producing white mica, are reported to be standing up under development, with two mica showings uncovered. Installation of a processing plant is planned near North Bay, where 500 girls will be employed.

The Amic Mines, Ltd., has a current output of 40,000 pounds of crude mica a month, and 5,000 pounds of mica is processed at a plant in Bondfield, Ontario.

CONTROL OF CEMENT IMPORTS INTO DOMINICAN REPUBLIC

To prevent the importation of excessive quantities of cement into the Dominican Republic, cement imports are now subject to the approval of a committee of control over prices of construction materials. By this action, it is thought, shipping space will be released to more essential materials.

OUTPUT OF WHITE ARSENIC IN SOUTHERN RHODESIA

Annual production of white arsenic in Southern Rhodesia averaged 112 tons a year, a total of 3,696 tons in the 1907-39 period, the British press reports.

Mispickel, the arsenic ore, is often associated with gold deposits but in the Champion reef and the Hydra and Lynx claims, mispickel is the primary occurrence and gold is the byproduct.

The refining plant at the Champion Mine, Gwanda, has been modernized and is now producing in one operation all grades between 99 and 99.95 percent. A new refining plant is operating at Rodia Siding, Salisbury.

World output of white arsenic in the 7-year period 1930-37 was reported at 52,460 tons.

Argentine Journal Reports Notable Growth in Local Shoe and Leather Industry

One of Argentina's foremost sources of industrial wealth, according to the trade journal "Cueros y Calzados" ("Hides and Footwear") is the rapidly growing tanning and shoe and leather-goods industries.

Argentina used to export raw untanned hides to Europe and the United States and at the same time, and sometimes even in the same ship, the quebracho extract (also produced in Argentina) with which to tan them.

Now Argentina tans hides, manufactures them into shoes and other leather goods, and has a rapidly growing export market for these commodities, notes the Argentine periodical. Argentina now produces 17,000,000 pairs of shoes a year, worth 73,000,000 Argentine pesos, and other articles of leather worth 13,000,000 pesos, it is asserted.

This does not take into account the 35,000,000 pairs of alpargatas, or rope-soled cloth sandals which retail for 1 or 2 pesos per pair and are the favorite footwear of the country people.

There has been a 25 percent decline in Argentina's exports of untanned hides since 1924 (says the magazine cited), but the export of shoes has increased many times. Reportedly, 196,000 pairs of leather shoes were exported in 1942, with a value of about 1,000,000 pesos. The export of manufactured leather goods, other than shoes, now amounts, it is stated, to 2,000,000 pesos a year. Argentina's exports of tanned and finished leathers, not manufactured, exceeded 23,000,000 pesos in 1942, says "Cueros y Calzados."

There are 500 factories in the Republic producing leather shoes. Shoes are now exported to Bolivia and to the Dutch possessions in the Caribbean—other leather goods to Bolivia, the United States, the Union of South Africa, Venezuela, and the Soviet Union, says the Argentine trade journal.

Oils and Oilseeds

CASTOR-BEAN PRODUCTION IN BRAZIL

Castor-bean production for 1943 in Brazil has been estimated at 250,000 tons, 55 percent greater than that of 1937.

The greatest increase in production over the 1937 yield are expected in the States of Sao Paulo and Parana. In fact, a rise is anticipated in every Brazilian State with the exception of Ceara, which will have an 8-percent decline, and Minas Gerais, where production is thought to be the same as it was 6 years ago.

The State of Sao Paulo will probably produce 70,000 tons, or 28 percent of the 1943 castor-bean total; Bahia, 60,000, or 24 percent; and Pernambuco, 40,000 tons, or 16 percent.

CANADA'S FLAXSEED CROPS INCREASED

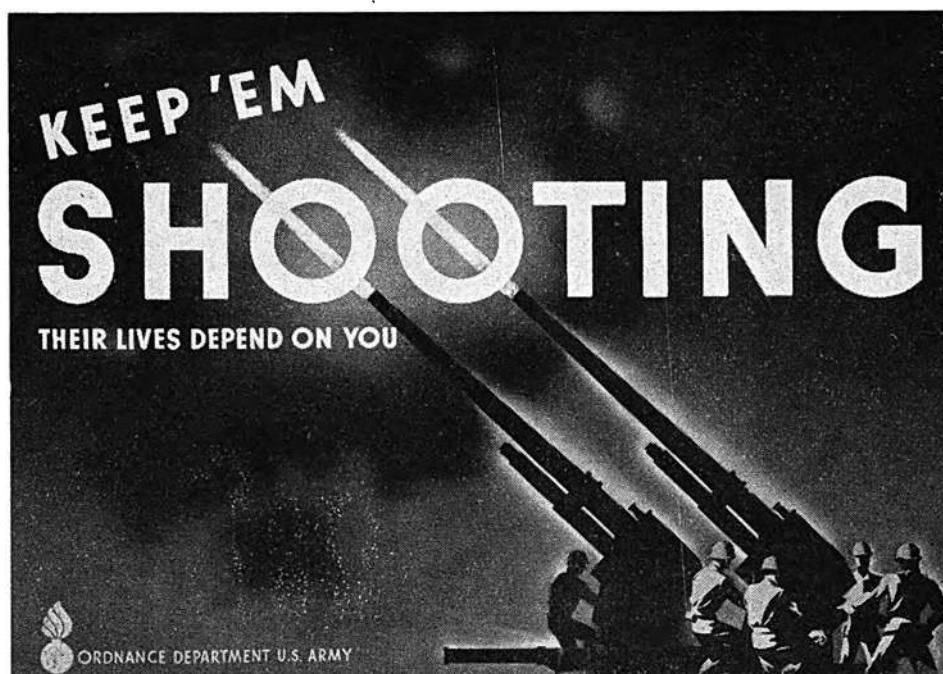
Canada's flaxseed production was increased more than 9 times from the preceding 10-year average of 1,600,000 bushels to 14,700,000 bushels in 1942. This year's estimated flaxseed production is expected to be about 17,400,000 bushels. Next year a decline is anticipated in the acreage, since a preponderance of weeds in 1943 is making harvest difficult, and the price outlook for other crops is more attractive.

The Province of Manitoba leads in the 1943 yield per acre at 8.8 bushels, but Saskatchewan has the greatest total production with 12,000,000 bushels. Alberta is the third of the Prairie Provinces, which is the only important flaxseed producing area in Canada.

Early in 1942 steps were taken in Canada to compensate for the cessation of certain imports by conserving all animal, fish, and vegetable oils and increasing domestic production of adaptable crops including flaxseed, soybeans, rapeseed, and sunflowers. Flaxseed was found to be a source of immediate income because it could be marketed soon after it was threshed, and farmers, worried by the manpower shortage, could extend their seeding and harvesting over a longer time if part of their total acreage were in flax. In addition, stimulation to flaxseed plantings was brought about by patriotic appeal, payment of \$2 an acre for conversion of land from other crops, and a fixed minimum price. At the standard price, flaxseed proved to be a relatively profitable crop.

MOROCCO USES ITS OWN OUTPUT OF OLIVE OIL

Of the 7,500,000 olive trees in French Morocco, more than 90 percent are owned by Arabs, most of whom do not pick their crops, replace old trees, till or irrigate the land. For this reason, though the total trees in Morocco equal the number in the Sfax region of Tunisia, Morocco has never exported the large quantities of olive oil that Tunisia has. The trees in Morocco have never been carefully selected and the pressing of the plants has never been well supervised. These are the facts discovered by a group of Moroccans who conducted a survey of the olive-oil trade to find possible post-war markets.



Usually Arabs use olive oil, not as a matter of preference, but as a matter of necessity. Before the war, peanut oil from French West Africa was imported because it was 40 percent cheaper than olive oil and because it was mild. Now, however, no peanut oil is available, and olive oil is scarce.

Morocco's olive oil production ranges from an annual low of 8,000 tons to a high of 20,000 tons, and the average is 15,000 tons. Pressing plants are sufficient to care for a normal crop, and if suitable oil substitutes were found, Morocco could export two-thirds of its average yearly output of olive oil. But until such time as domestic cooking requirements are met, the possibility of exportation is mere conjecture.

Other materials are said to be available locally for increasing the number of paint colors produced from clay. It is also possible that a considerable amount of the linseed oil which can be produced in the province could be used in the process.

Railway Equipment

SPAIN HAS NEW MOTOR WORKS

A new motor works near Barcelona, Spain, has been constructed for the manufacture of Diesel engines of up to 7,000 horsepower, reports the Nazi press.

TURKEY RECEIVES GERMAN LOCOMOTIVES

Under a trade agreement concluded in January 1943, Turkey has received 15 German utility-type locomotives, states a foreign transport publication.

Rubber and Products

SHORTAGE OF TIRES IN SWITZERLAND

Switzerland's supply of tires will last for only about two years, it is reported, and there is already a scarcity of heavy truck tires. Two kinds of rubber substitute are being manufactured, one for tires and the other for general use. Manufacture of synthetic rubber is not feasible since the great amount of coal and electricity required would place too great a strain on Swiss supplies.

Planting of rubber-yielding plants and the use of small tractors, trucks with solid tires, and tractors with hard rubber tires are among the measures being considered to offset curtailment of raw rubber imports.

Paints and Pigments

INDIA'S IMPORTS OF PAINTS AND COLORS

Imports of paints and colors into India during the fiscal year 1942-43 show a substantial drop over the previous year, according to statistics recently published in the British press.

Paints and colors imported in 1942-43 totaled 6,440,000 rupees, whereas in 1941-42 they amounted to 9,165,000 rupees.

PIGMENTS AVAILABLE FROM CANADIAN CLAYS

The possible use of local clays in the manufacture of pigments is being investigated by the Saskatchewan Industrial Development Board, the Canadian press reports.

Saskatchewan clays have formerly been used principally for building material and chinaware, but preliminary tests indicate that certain ones contain properties for producing pigments in colors ranging from light buff to red.

Shipbuilding

SWEDEN LAUNCHES NEW CARGO VESSEL

A new cargo vessel, the *Ara*, recently launched at Landskrone, Sweden, has a loading capacity of 3,700 tons dead-weight, and a speed of 12 knots when loaded. A triple steam engine develops 1,650 horsepower. The vessel has an over-all length of 91.4 meters, a molded beam of 14.17 meters, and depth to main deck of 6.55 meters, with a draft (summer free board) of 5.80 meters.

Special Products

COLOMBIAN TOY-MAKING COMPANY EXPANDS

A Medellin, Colombia, company which undertook the manufacture of toys as an experiment after the war started is reported to be expanding. Approximately 100 workers are employed and about 100 different items are made—mostly from materials which can be obtained locally. It is claimed that foreign as well as domestic orders are being received.

Very few toys were manufactured in Colombia before the war, although the import duties on such products were high—on some amounting to more than the original cost.

MEXICO IMPORTS SEWING MACHINES FROM U. S.

Forty sewing machines, valued at 3,756 pesos, were imported by Mexico during the first quarter of 1943. According to official Mexican statistics, 35 of these machines, valued at 3,151 pesos, were supplied by the United States.

Textiles and Related Products

Cotton and Products

BRAZIL HAS LARGE COTTON CROP

Southern Brazil's 1942-43 cotton crop is expected to reach a total of 349,139 metric tons, according to first official estimates. Unofficial sources, however, predict a crop of about 25,000 tons higher.

CHINA'S COTTON CROP INCREASED

Cotton production in the Province of Szechwan, China, according to published reports, amounted to 400,000 piculs in 1942. (One picul=133½ pounds.)

Cotton mills in the Province have 150,000 spindles, of which only 100,000 were running. Plans were made by the Government to increase cotton production by 200,000 piculs, in 1943, so that sufficient cotton would be available to operate the other 50,000 spindles.

IRAN TO IMPORT COTTON

Iranian farmers have planned about 120,000 hectares of cotton for the 1943-44 crop year, an acreage equal to last season's, or approximately one-half of the pre-war area. About 20,000 metric tons of cotton were produced in the 1942-



43 season, and a like amount is expected for the next crop.

As Iranian mills have a capacity of about 28,000 tons, it is anticipated that this country will again import cotton, whereas in 1941-42 almost 5,000 tons were exported.

SPAIN'S COTTON IMPORTS HIGH

Imports of raw cotton into Spain in July were the highest in many months, reaching a total of 18,422,500 kilograms, compared with only 4,626,000 kilograms in June and 10,283,681 kilograms in July a year ago. This brings the total for the first 7 months of 1943 up to 53,668,000 kilograms, whereas in the same period last year 41,180,815 kilograms had been imported.

Mill activities were greatly accelerated, some factories working full time.

Reduced demand has led clothing manufacturers to restrict their output solely to filling orders actually in hand.

Wool and Products

ARGENTINA'S WOOL EXPORTS

In July, 16,085 bales of wool were exported from Argentina, compared with 21,055 bales in June, and 22,918 bales in July 1942. For the period October 1, 1942, to July 31, 1943, 148,373 bales were exported. In the first 10 months of the preceding wool year, 230,866 bales were shipped abroad.

Commercial wool stocks equivalent to 106,441 metric tons on a grease wool basis were reported.

WOOL PRODUCTION IN AUSTRALIA AND NEW ZEALAND

Wool production in Australia and New Zealand, for the season ended June 30, 1943, is estimated at 1,451,388,428 pounds, or 7,305,987 pounds more than the preceding year, according to the British press.

To conserve jute packs and shipping space, Australia's wool was packed in bales averaging 312 pounds, instead of 303 pounds as in previous years. Therefore, the number of bales for this season, of 4,553,816, is actually 88,009 bales below

the previous season's. Australia's production in bales is estimated at 3,591,457, and New Zealand's at 962,359, or a decrease of 64,556 bales and 23,453 bales, respectively.

URUGUAY'S WOOL EXPORTS INCREASED

In August, 330.4 metric tons of wool were delivered to Montevideo, Uruguay, from the interior. This brings the total for the first 11 months of the wool season, which began on October 1, 1942, up to 60,860.7 tons, compared with 50,565.4 tons in the like period of the previous season.

Exports of wool totaled 85,635 bales up to August 31 of this season, whereas in the October through August period of the preceding wool year, 54,480 bales were exported.

August was a quiet month on the wool market, and prices were reported as "nominal."

Miscellaneous Fibers

CONTROL OF FLAX AND HEMP IN BULGARIA

In Bulgaria, flax and hemp have been placed under a new Government monopoly, according to published reports.

All available quantities of hemp and flax, including stems, fibers, and all remaining stocks of last year's crop, as well as the entire 1943 yield, will be controlled by the Direction of Cereals.

Farmers must declare the extent of their flax and hemp plantings, and after their allotted harvest quotas have been turned in, a certain designated quantity may be retained for family use.

Delivery of hemp must be completed by September 10, and flax by November 1.

UNITED KINGDOM MAY USE STRAW IN HOUSEHOLD NEEDS

Straw chairs, hassocks, and baskets may stage a tremendous comeback in the United Kingdom, according to a British periodical which reports that expanded agricultural pursuits have resulted in an enormous accumulation of straw. Another suggested means of disposal is in the manufacture of straw hats.

Tobacco and Related Products

CANARY ISLANDS OVERSTOCKED WITH TOBACCO

Large stocks of domestic tobacco are still in the hands of Canary Island merchants who cannot find an outlet for them. In an effort to relieve the situation, a recent decree forbids importation of tobacco from foreign countries without specific consent, even though a license had previously been obtained from the Ministry of Industry and Commerce.

The bread shortage in Belgium has increased to such a point that, according to a recent item in a Nazi newspaper, "some municipalities and some parts of larger towns in various sections of the country have been without bread for several days."

Chilean Chemical Picture

(Continued from p. 9)

caustic soda, ammonia, sodium hyposulfite, glycerin, bleaching powder, sodium silicate, tanning extracts, potassium iodate, and potassium nitrate was domestically produced.

Other chemicals made then were nitric, acetic, boric, citric, and tartaric acids, acetone, turpentine, calcium hypochlorite, zinc oxide, and sulfuric ether. Chile was also manufacturing important amounts of high explosives, carbon dioxide, matches, fireworks, disinfectants, yeast, soap, and pharmaceutical and toilet preparations.

The Anuario de Industria de Chile for the year 1940 contains statistical data on the production of 368 "chemical establishments" employing a total of 7,389 persons, with a total output valued at nearly \$20,000,000. This total, however, includes petroleum products and various other items not usually classified as chemicals.

In 1940, the U. S. Commercial Attaché in Chile reported as follows: "The Chilean chemical industry may be divided into two classifications: (1) chemical manufacturing industries, and (2) chemical process industries. The first group is composed of the very large plants producing nitrate and iodine for export, the comparatively small plants producing sulfur (also for export), and a miscellaneous group of very small establishments manufacturing a limited number of crude chemicals. The second group (chemical process industries) comprises a fairly large number of small manufacturing industries which have been established during the last 10 years and which consume the major part of the chemical products imported into Chile. Other than the heavy foreign investment in the nitrate plants, the chemical industry of Chile is financed almost wholly by domestic capital.

"The growth of the chemical process industries," continues the Attaché, dates largely from 1931, at which time the acute economic depression and the attendant extreme depreciation of the peso made importing so difficult that the Chileans were forced to produce domestic substitutes for the foreign goods."

Fertilizer Situation

Although all raw materials are available, the fertilizer industry in Chile appears to have remained far below potentialities thus far. Nitrogen supplies are superabundant. However, it is reported that Chilean soils are more in need of other fertilizers. Potash is increasing in importance, both as a byproduct of the sodium-nitrate mining and from recent exploitation of potash deposits.

Annual production of phosphatic fertilizers in 1939 was sufficient for only about one-fifth of the minimum set for satisfactory local agricultural production. Guano deposits serve as the chief source of phosphates, with small amounts of bone meal and imported superphosphates also consumed. Utilization of the

apatite has been largely in the preparation of a product in which the rock is calcined with sodium nitrate and coal. There appears to be little production of superphosphate in Chile. The apatite deposits could furnish much greater supplies and, with the local production of sulfuric acid, constitute the basis of a superphosphate industry.

The desire to develop the production and use of fertilizer materials has been manifested by the Chilean Government on numerous occasions. In 1940, the Chilean Congress created the Consejo de Fertilizantes which will function as a National Fertilizer Board. The law gives the Board absolute power to regulate the production, sale, and use of both national and imported fertilizer products.

Plastics

Chile does not produce plastics materials for use by manufacturers of finished products. Although in the past some consideration has been given to the production of semifinished materials, further interest has waned owing to the limited use of such products locally and the lack of basic raw materials.

The Republic has established a small domestic industry which, while limited in scope and importance, produces goods made of plastics materials sufficient to supply local demand for many articles of simple manufacture and common use. Some of the articles produced are bottle and tube caps, buttons, buckles, combs, plates, and wall plugs. Chile is largely dependent on imports of plastics supplies from the United States.

Wood Distillation—Glycerin

A wood-distillation plant on the island of Chiloe is capable of meeting most of the Chilean demand for methanol. Its annual production capacity was about 35,000 kilograms, but through deterioration of plant equipment and lack of capital its present annual capacity is about 15,000 kilograms.

Production of glycerin increased from 146,400 kilograms in 1938 to 199,500 in 1941. Since this glycerin is of a grade suitable only for cosmetic and some pharmaceutical preparations, the explosives industry must rely on the imported item.

Recent Developments

In 1940 the Chilean Government had a general program of national manufacturing development including the stimulation of certain chemical manufactures. Plans then were to increase production of chemicals and related items such as sulfur, tartaric acid, carbonate and bicarbonate of soda, caustic soda, calcium carbide, artificial fertilizers, explosives, rosin, turpentine, and printing ink.

Definite progress has been made toward the realization of that plan. Tartaric acid no longer need be imported, and it is believed that production can be expanded still more to take care of the increased demand. A small sulfur-refining plant was constructed by a Chilean firm in Antofagasta in 1942. The Corporación de Fomento granted 300,000 pesos to the Cia. Azufera Aguas Calientes to assist in the development of a sulfur deposit to be opened up in the Tacora district. Calcium-carbide production has been increased greatly, and, with the operation of the plant constructed in 1942, output was expected to be sufficient to permit exports.

The Chilean Corporación de Fomento also allocated funds to assist in the exploitation and development of the borax deposits of Guillagua y Punta Negra. Preliminary work indicated that the mines possess mineral calcium borate adequate for the production of 50,000 tons of borax. The bulk of the borates and boric acid made is expected to be exported.

Output of ethyl alcohol, long produced in Chile, has been materially increased in recent years. Refined benzol is not produced, but one firm is reported to have a daily output of 200 liters of the crude product from the distillation of coal tar. Experiments are under way for the production of toluol.

In February of this year, the Sociedad Cemento Juan Soldado S. A. was authorized to install and operate a cement plant in the Province of Coquimbo and also to produce fertilizers and any other compounds in which lime is used.

Phosphates are made from apatite by the Sociedad Cemento Melon at La Calera, Aconcagua Province, and from bone meal by the Cia. Industrial at Santiago. A third phosphate fertilizer factory also using bone meal is under construction at La Cisterna near Santiago.

Potassium salts to the amount of 30,000 tons annually are expected to be produced in the plant constructed at Salar de Pintados. A new plant for the manufacture of ammonium nitrate was planned, but no report has been received of its completion.

Some of the foregoing allocations of capital undoubtedly were included in the 630,000,000 pesos invested in new industries in 1941. The more important



investments made in industries not existing in Chile at that time included dyes, essential oils, and various chemicals.

An example of what may be accomplished with native materials is that of the crude drug digitalis growing wild in Chile. Until 1941, the drug was imported from Europe. In that year digitalis, among other medicinal herbs and plants, was cultivated experimentally on farms under the supervision of the Caja de Colonización. There appears little need for cultivating the herb, however, since the wild plant has met all tests satisfactorily, and grows in sufficient quantity to meet requirements for an indefinite period. A drying plant has been installed and is operated by the Instituto Bacteriológico. This plant could produce 200 pounds daily, it is claimed. Chile's consumption varies between 400 and 600 pounds annually.

Foreign Trade in Chemicals

Since the outbreak of war and particularly since the entry of the United States into the conflict, industrialization in Chile has proceeded apace, in both chemical-consuming and chemical-manufacturing lines. Although many chemicals are produced in varying quantities, as indicated in the foregoing discussion, the output in most instances is far from sufficient to meet domestic needs, and the country must rely upon imports to satisfy remaining requirements.

Even for those products manufactured locally, the industry often must depend upon imports of raw materials. For example, it may be said that the major portion of Chilean requirements for synthetic organic chemicals is supplied by imports, the more important consuming groups being made up of dyes, mining chemicals, and pharmaceuticals.

A few of the organic chemicals which are not produced and for the supply of which the country is entirely dependent upon foreign sources are: formaldehyde, carbon tetrachloride, hexamethylenetetramine, aniline oil and salts, ethylene glycol, amyl alcohol, and naphthalene.

Detailed statistics for 1942 are not available, but Chile's total imports of chemicals and allied products were valued at nearly \$20,000,000, compared with \$16,000,000 in 1941 and \$14,500,000 in 1940. In this comprehensive grouping, however, are included appreciable amounts of mineral oils for machines and other industrial uses, gasoline, lubricating greases, paraffin, mechanical and chemical pulp, and animal tallow and grease. In 1941, these particular items had a valuation of \$7,000,000. Nevertheless the upward trend in Chile's importation of chemicals and allied products has continued throughout the present war period.

Several factors, such as changes in the value of pesos and the commodities included in the term "Chemicals and Related Products" preclude an accurate presentation of the more or less steady increase in chemicals and allied products into Chile during the last 20 years. In 1923, imports of chemicals, medicinals, toilet preparations, and paints were valued at around \$3,000,000; in 1928, \$9,300,-

000, and in 1929, a peak year, \$10,300,-000.

With the world-wide economic crash came a period of low imports to about \$2,500,000 in 1933 and a following period of continuing higher imports to \$7,750,-000 in 1938, the last full year prior to the outbreak of the present world conflict.

In 1941, using the same restricted classifications, one finds that the total imports of chemicals and related products were valued at \$9,000,000.

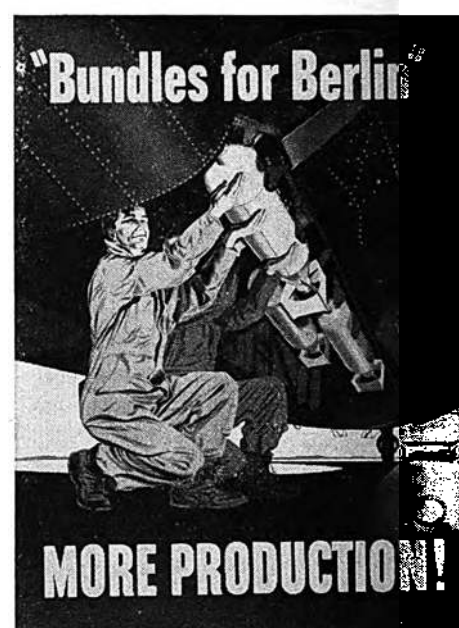
Source of Imports

Throughout the years and until the present war period, European countries—particularly Germany—have been the principal suppliers of chemicals and allied products on the Chilean market. The following table, showing the imports by groups (with the percentages supplied by the three leading foreign competitors) has been taken from the official Chilean foreign-trade statistics and is presented according to their grouping. Conversions were made at the rate of 1 gold peso=\$0.2061. Peru and Argentina were other noteworthy shippers in 1941, furnishing 20 and 5 percent, respectively, in that year.

Chilean Imports, by Chemical Groups

Item and country	1938	1941
Industrial and synthetic organic chemicals.....1,000 dollars	2,108	2,863
United States.....percent	22.5	72.1
Germany.....do	41.5	8.2
Great Britain.....do	27.3	14.5
Medicinals, pharmaceuticals, and toilet preparations.....1,000 dollars	865	1,093
United States.....percent	18.9	52.1
Germany.....do	58.6	7.0
Great Britain.....do	37.9	6.2
Artificial fertilizers.....1,000 dollars	4.2	45
United States.....percent	44.4	87.6
Germany.....do	43.3	—
Great Britain.....do	—	—
Explosives, matches, and other pyrotechnic products.....1,000 dollars	644	353
United States.....percent	43.8	90.0
Germany.....do	44.6	—
Great Britain.....do	7.7	3.2
Pastes, naval stores, resins, waxes, gums, oils, etc.....1,000 dollars	4,585	5,308
United States.....percent	40.1	46.6
Germany.....do	2.3	5.2
Great Britain.....do	5.3	—
Industrial alcohols.....1,000 dollars	5	22
United States.....percent	93.8	99.9
Germany.....do	—	—
Great Britain.....do	—	—
Paints, varnishes, dyes, and colors.....1,000 dollars	1,155	1,543
United States.....percent	14.6	74.7
Germany.....do	65.4	4.9
Great Britain.....do	8.7	4.5
Soap.....1,000 dollars	28	22
United States.....percent	13.6	30.2
Germany.....do	17.4	3
Great Britain.....do	31.8	48.6
Other chemical products.....1,000 dollars	2,205	3,374
United States.....percent	11.4	22.8
Germany.....do	10.3	8
Great Britain.....do	6.2	13.4
Total.....1,000 dollars	11,977	15,623
United States.....percent	26.7	58.5
Germany.....do	24.5	2.7
Great Britain.....do	9.7	8.7

The growth of those industries in Chile utilizing chemicals in manufacture has been rapid during the last 10 years. Inasmuch as this development has been and still is largely dependent upon imported chemicals, the long list of principal chemicals imported in 1941 as shown in the next table provides a key to the in-



Official OWI Photo

dustries. Many of these products could, it is believed, be produced in Chile.

Acids are used in the thriving medicinal, textile, tanning, wine, food, and paint industries. Among the larger imports of heavy chemicals, ammonium nitrate is destined for the manufacture of explosives; calcium carbide is primarily for generation of acetylene, used as an illuminant in mines, and in welding; potassium xanthate is a flotation chemical; sodium bichromate finds its chief outlet in tanning; soda ash and caustic soda have extensive uses in various industries, particularly textiles, glass, soap, and leather; and sodium cyanide is utilized in fumigation and as a flotation reagent. Demand for imported glycerin is primarily for consumption in the explosive and pharmaceutical industries.

In the past, imports of medicinal and pharmaceutical preparations loomed large in the trade, but in more recent years the rapid expansion of Chilean domestic industry has brought about substitution of domestic commodities for the foreign. The extent of domestic manufacture is largely limited to the relatively simple function of mixing, processing, and packaging.

There has been a gradual disappearance of the Chilean market for imported paints and varnishes because of the rapid development of the domestic industry. Such items as are now imported are chiefly for the limited quality market and are mainly marine paints, nitrocellulose products, special enamels, and lacquers. Considerable amounts of pigments are imported. Rosin and turpentine are consumed primarily in the paint industry. Printing ink continues to be imported despite local production—chiefly because of the general preference for the imported item. Most of the other products covered in the table are self-explanatory as to purposes.

This present article being merely a brief outline sketch of Chile's chemical position and possibilities, statistics for one year are considered adequate:

Imports of Principal Chemicals Into
Chile in 1941

Commodity	Kilograms	Gold pesos ¹
Acetone.....	31,179	48,026
Acids.....		
Citric.....	98,543	288,339
Tartaric.....	5,297	25,242
Oxalic.....	13,836	28,318
Formic.....	43,621	77,277
Lactic.....	39,235	68,389
Nitric.....	26,162	31,853
Sulfuric.....	13,690	86,155
Ammonia, anhydrous.....	128,402	106,817
Ammonium bicarbonate.....	46,885	29,221
Ammonium chloride.....	576,978	229,431
Ammonium nitrate.....	1,393,363	1,331,447
Berium chloride.....	42,477	28,795
Calcium carbide.....	914,400	414,391
Calcium chloride.....	878,792	192,765
Chlorine, liquid.....	38,362	32,595
Phosphorus, red.....	3,314	27,056
Iron phosphate, lactate and sulfate.....	13,331	25,160
Pyridine and compounds.....	512	74,412
Potassium.....		
Metabisulfite.....	84,580	204,067
Hydroxide.....	22,673	40,412
Bichromate.....	65,098	71,350
Xanthate.....	184,953	239,405
Sodium.....		
Bichromate.....	313,685	313,541
Phosphate.....	36,115	32,280
Bicarbonate.....	759,969	210,296
Carbonate.....	4,514,630	934,253
Hydroxide.....	2,968,054	982,444
Sulfite.....	58,974	33,171
Cyanide.....	139,400	190,215
Hydroxide.....	42,890	103,128
Silicate, liquid.....	174,376	38,803
Compounds, n. e. s.....	13,060	73,322
Zinc stearate.....	6,628	28,544
Glucose.....	21,237	34,029
Lactose.....	22,613	47,863
Casein.....	176,451	94,092
Carbon sulfide.....	72,091	54,882
Carbon tetrachloride.....	28,874	27,302
Glycerin.....	305,888	419,321
Naphthalene.....	56,712	43,290
Liquid phenols, crude and cresylic acid.....	910,743	644,652
Beta naphthols and benzo naphthalene.....	6,334	52,373
Xanthic anhydride.....	123,909	447,846
Hexamethylenetetramine.....	3,997	68,503
Menthol, pure.....	1,701	55,635
Developers, photographic.....	2,711	26,447
Photographic chemicals.....	167,731	69,168
Quinolin and compounds.....	2,025	76,910
Camphor, in paste.....	10,691	91,844
Vanillin.....	1,218	34,831
Benzyl acetate.....	49,618	1,991,856
Quinine, codeine, and other alkaloids.....	1,498	644,737
Caffeine.....	3,952	352,521
Anesthetics, anesthetics, fabrics, etc.....	58,032	770,288
Peptone.....	1,442	26,159
Dietates and vitamins.....	754	68,127

¹ 1 gold peso = \$0.2061.Imports of Principal Chemicals Into
Chile in 1941—Continued

Commodity	Kilograms	Gold pesos
Glucosides and opatherapeutic products.....	2,157	183,640
Medicated gauze.....	64,882	375,064
Lanolin.....	17,482	36,534
Adhesive cloth.....	13,065	71,803
Medicinal and pharmaceutical preparations, n. e. s.....	293,462	3,437,904
Medicinal chemicals.....	29,016	331,773
Dentifrices.....	4,282	28,591
Rouge.....	2,421	141,739
Cosmetics, creams, pomades, etc.....	3,658	77,106
Toilet powders.....	4,022	37,463
Insecticides, raticides, etc.....	352,325	411,518
Pyrethrum extract.....	6,823	66,438
Fertilizer materials.....	354,148	218,763
Fulminates, detonators.....	62,941	845,736
Mine fuses.....	149,796	823,873
Plotation and concentrating chemicals.....		
Pine oil.....	392,568	306,042
Cresylic acid.....	244,300	440,510
Ethyl acetate.....	33,700	47,192
Cyanides for processing minerals.....	260,400	151,632
Xanthates.....	15,700	31,397
Regent No. 425.....	64,400	131,142
Linseed oil.....	270,404	273,579
Turpentine, spirits of.....	1,513,275	1,076,952
Rosin.....	3,638,400	1,183,727
Gum lac.....	74,087	175,124
Synthetic resins.....	78,747	226,098
Aniline.....	292,495	2,984,127
Dyes for tanning.....	60,201	147,095
Coal-tar dyes.....	26,321	209,554
Carmine lakes, lacquer.....	3,210	31,532
Litharge and red lead.....	178,738	146,708
Prussian blue.....	21,271	54,558
Ultramarine blue.....	94,666	142,067
Zinc white.....	335,603	301,183
Lead white.....	103,933	86,985
Lithopone.....	1,314,873	679,016
Titanium oxide.....	26,303	45,251
Iron oxide.....	46,407	47,368
Lamp black.....	27,280	30,270
Other paint pigments.....	170,578	250,791
Paints and varnishes.....	497,066	1,150,164
Printing ink.....	436,824	835,601
Adhesives.....	69,970	171,215
Waterproofing preparations.....	47,777	41,584
Dextrine and similar products.....	35,311	37,046
Stearin.....	62,914	80,581
Plastics.....	238,686	722,415
Cleaning and polishing preparations.....		
Mechanical and chemical pulp for paper manufacture.....	132,895	129,572
	20,688,200	7,991,265

Exports of Chemicals

The predominant position of nitrate in the Chilean chemical export trade has been maintained throughout the years, but since the outbreak of hostilities in 1939, and with the expansion of the domestic chemical industry, nitrate's share has been somewhat reduced. Of the total exports of chemicals and related products amounting to 138,554,800 pesos (\$28,556,100) in 1941, nitrate and iodine accounted for 89 percent of the total, compared with 95 percent of total shipments valued at 160,259,500 gold pesos (\$32,052,000) in 1938. Shipments of industrial chemicals and explosives accounted for 3 percent each and sulfur 2 percent in 1941.

A few items continue to account for the bulk of the chemical exports as noted in the table given below, the remaining amounts not shown being made up of numerous small items. With a few exceptions, most of the trade is with other American Republics—outstanding exceptions being sodium sulfate, tartaric acid, tartrates and crude tartar to the United States, and potassium chlorate to Japan:

Chilean Exports of Chemicals in 1941

Groups and principal products	Quantity, in kilograms	Value, in gold pesos
Chemicals and related products—		
Total value.....		9,834,020
Industrial chemicals.....		4,351,525
Tartaric acid.....	72,978	93,240
Tartar, crude.....	253,356	326,171
Cream of tartar.....	126,782	272,180
Calcium compounds.....	247,649	476,333
Copper sulfate.....	250,685	96,594
Potassium chlorate and chloride.....	6,138,545	1,721,321
Sodium sulfide.....	2,479,726	1,147,471
Medicinal and toilet preparations.....		378,156
Artificial fertilizers.....		85,909
Explosives, matches, pyrotechnics.....		4,170,761
Dynamite and gellignite.....	2,174,365	3,513,029
Matches.....	392,924	604,487
Powder for mines.....	82,590	50,751
Polishes, resins, greases, industrial oils.....		162,179
Paints, varnishes, dyes.....		106,239
Soaps.....		3,187
Miscellaneous chemical products.....		635,964
Calcium carbide.....	2,194	140,359
Glues.....	185,718	150,423
Nitrate and other related products.....		128,720,792
Sodium sulfate.....	10,349,300	741,746
Sulfur.....	21,748,600	2,935,967
Iodine.....	806,583	8,965,835
Nitrate.....	112,704,798	114,343,142
Beeswax.....	332,305	1,000,254
Total.....		138,554,812

¹ The quantity of nitrate is expressed in quintals.

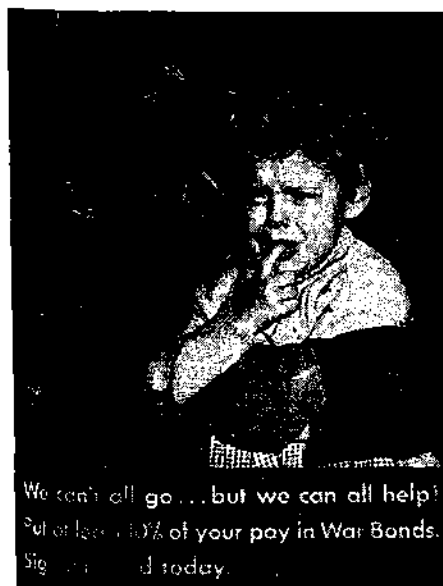
Conclusion

The general forward movement in the industrialization of Chilean industry promises to accelerate chemical manufacture.

Expansion of electrochemical facilities for the manufacture of carbide, acetylene, acetic acid, and thousands of synthetic organic chemicals; installation of coal carbonization ovens, with the consequent manufacture of other thousands of coal-derived organic chemicals; utilization of woods in the production of non-cyclic compounds such as methanol, formaldehyde, acetic acid, and the like; and the subsequent combination of all of these into plastics materials, explosives, and scores of other basic chemicals—these are but a few examples of what may be done.

They present only inadequately Chile's possibilities. Only through a detailed survey of the latest and most up-to-the-minute developments can the true perspective be determined. Only through the intensive application of the most modern scientific methods and utilization of the most highly developed equipment can the promise of the present be brought into full fruition.

Production of synthetic rubber in Canada has been centralized at Sarnia, Ontario—an area served by water, rail, and highway transportation, and at a relatively short distance from the establishments engaged in the production of tires, which will consume about 85 percent of the synthetic rubber to be produced in the Dominion. The synthetic-rubber plant is expected to be completed and in full production by November 1, 1943.



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Latin American Exchange Rates

[Note.—Averages are based on actual selling rates for sight drafts on New York, in units of foreign currency, per dollar with the following exception: Cuba—United States dollars to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to the dollar.]

Country	Unit quoted	Type of exchange	Annual average rate		Latest available quotation		
			1941	1942	Rate	Approximate equivalent in U. S. currency	Date, 1943
Argentina	Paper peso	Official A	3.73	3.73	3.73	\$0.2681	Sept. 25
		Official B	4.23	4.23	4.23	.2364	Do.
		Bid	4.88	4.94	4.94	.2024	Do.
Bolivia	Boliviano	Free market	4.24		4.00	.2500	Do.
		Controlled	43.38	46.46	42.42	.0236	Sept. 20
		Curb	54.02	49.66	44.50	.0225	Do.
Brazil	Cruzireiro ¹	Official	16.50	16.50	16.50	.0606	Sept. 1
		Free market	19.72	19.84	19.63	.0509	Do.
		Special free market	20.68	20.52	20.30	.0493	Do.
Chile	Peso	Curb	20.30				Do.
		Official	19.37	19.37	19.37	.0516	Aug. 31
		Export draft	25.00	25.00	25.00	.0400	Do.
Colombia	do	Curb market	31.78	31.75	31.10	.0323	Do.
		Free	31.15	31.13	31.00	.0323	Do.
		Gold exchange	31.15	31.13	31.00	.0323	Do.
Costa Rica	Colon	Mining dollar	31.35	31.13	31.00	.0323	Do.
		Agricultural dollar	31.15	31.13	31.00	.0323	Do.
		Controlled	1.75	1.75	1.75	.5714	Sept. 17
Cuba	Peso	Bank of Republic	1.76	1.76	1.76	.5682	Do.
		Stabilization Fund	(²)	(²)	(²)	(²)	Do.
		Curb	1.86	1.77	1.75	.5714	Do.
Ecuador	Sucre	Uncontrolled	5.85	5.71	5.64	.1773	Aug. 31
		Controlled	5.62	5.62	5.62	.1779	Do.
		Free	.98	1.00	1.00	1.0000	Sept. 25
El Salvador	Lempira	Central Bank (Official)	15.00	14.39	14.10	.0709	July 20
		Official	2.04	2.04	2.04	.4902	Sept. 1
		Free	4.86	4.85	4.85	.2062	Sept. 11
Honduras	Peso	Official	5.00	5.00	5.20	.1923	Sept. 18
		Curb	5.93		5.25	.1905	Do.
		Official		333.00	333.00	.0030	Sept. 3
Mexico	Cordoba	Free	6.50	6.50	6.50	.1538	Sept. 18
		do	2.50	2.50	2.50	.4000	Sept. 25
		Controlled	1.90	1.90	1.90	.5263	Sept. 11
Nicaragua	Paper peso	Free	2.31	1.90	1.90	.5263	Do.
		Controlled	3.25	3.35	3.35	.2985	Sept. 18
		Free	3.76	3.45	3.35	.2985	Do.

¹ Under law of October 6, 1942, the cruzireiro became the unit of currency, replacing the milreis. Since November 1, 1942, exchange quotations have been in terms of cruzireiros and centavos to the dollar.

² Established March 25.

³ For class 2 merchandise, 1.795; class 3, 1.87; class 4, 1.95.

⁴ For class 2 merchandise, 1.765; class 3, 1.775; class 4, 1.785.

⁵ July 24–December 31.

NOTE.—Special rates apply to automotive equipment and agricultural machinery imported from the United States into Argentina.

Insurance Law of Venezuela

(Continued from p. 11)

policyholders; if it appears from the schedule of premium rates or the bases for the computation of reserves that the insurer cannot carry out the benefits offered; or if the insurer has not completed the deposit of trustee assets or has otherwise failed to comply with Venezuelan insurance law.

In the case of objectionable standard policy and contract forms, noted in the preceding paragraph, as a ground for denial of registration, the examination which the Venezuelan Government undertakes for this purpose is limited to ascertaining whether the clauses of policies or insurance contracts deprive the policyholder of his rights, whether they are illegal or against public policy, or against some express principle of law enacted for the protection of the insured.

On the other hand, registration of the

insurer will not be refused merely because of the existence in its policies of clauses which may modify the common law provided they do not alter proper protection of the policyholder and are not against the public policy of the country. However, under the provisions of the Venezuelan Code of Commerce the courts of Venezuela have jurisdiction over insurance contracts entered into within the Republic even with foreign insurers; this jurisdiction may not be waived by private agreement of the parties.

Liquidation

As soon as a registered insurer is dissolved or has ceased insurance operations, the Venezuelan Government makes it known officially that the particular insurer is in process of liquidation. The withdrawal of trustee assets or deposits, however, will not be authorized until the Government is assured that there are no unsatisfied claims pending in Venezuela as the result of the insurer's operations.

Registration of Agents

In addition to the foregoing registration requirements for insurance companies, all insurance agents of any kind, in order to act as such lawfully, must likewise register themselves with the Ministerio de Fomento, where they will be provided with a certificate of authority.

For the purposes of the 1939 regulations, Venezuelan insurance agents are defined as all persons, natural or juridical, who offer policies or intervene in insurance operations, and in general, all those who undertake insurance operations for the account and order of insurance carriers. This includes appraisers and loss adjusters, while expressly excluding marine adjusters.

Supervisory Powers

The Venezuelan insurance act of 1938 specifies ample powers for the complete supervision of insurers, national or foreign, which do an insurance business in the country. They are quite similar to the powers customarily granted to State superintendents in the United States—for example, the right to examine books of accounting or other sources of documentary information in the company's possession, the investigation of infractions of the law, the power to require statements and other data showing the company's condition, also the power to impose fines and penalties. Generally, Government representatives will inspect insurance companies in Venezuela at least once every 6 months—which may be reduced to 3 months under the regulations.

In addition, all insurers doing business in Venezuela, both national and foreign, must submit a certified copy of their quarterly balances to the Ministerio de Fomento and the Commercial Court of First Instance at the place where they have their establishments. Further, annual balances and reports must be rendered, showing adjustments for reserves and the bases of computation. Failure to furnish either of these documents subjects the delinquent insurer to the penalties provided by law. In conformity with the usual insurance practice, such reports must be published.

Reserves

National or foreign life insurers in Venezuela must have a mathematical reserve in harmony with the "technical principles generally accepted in the matter." On the other hand, carriers writing other classes of insurance may have technical reserves for current risks as low as 40 percent of net premiums received during the year. The value of such reserves must be approved by the Ministerio de Fomento, for which purpose the insurer should submit its formulas, calculations, and tables.

Both the mathematical reserve and the reserve for current risks must be represented in Venezuela by cash, advances or loans on policies, Venezuelan public obligations, Venezuelan commercial or industrial securities, or by Venezuelan

real estate having a net value one-fourth in excess of the amount required. However, in neither of these reserves will any deduction be permitted by reason of reinsurance in other companies, whether in the country or abroad; nevertheless, the initial deposit of trustee assets will be included in the computation of the mathematical reserve and the reserve for current risks.

Substitution of Deposits

According to Venezuelan insurance procedure, when there is to be an exchange of deposited securities for others, or the substitution of one of the parcels of real estate accepted as an equivalent, authorization by the Ministerio de Fomento will not be forthcoming in the absence of a favorable report from Government representatives or experts. Such a report must establish the fact that the security or realty which is to enter into the substitution is equivalent to the one whose exchange or substitution is requested. In any event, the cash, securities, or real property already described above as trustee assets are intended primarily to satisfy pending claims of policyholders which have not been paid from other assets.

Policy Forms and Advertising

As was explained above, policy forms and other documents in use by the insurer in Venezuela must be submitted to the Ministerio de Fomento for approval at the time of registration and before the company may commence operations in the country. This is equally true of schedules of rates or tables of coefficients, circulars, advertising matter, or prospectuses. Consequently, if all policy or contract forms prove unacceptable they must be modified within 40 days after notice. If only part of the model forms are unacceptable the insurer's registration may be authorized, with the understanding that it will not use the objectionable forms. However, in either of the above cases, or even in case of a general denial of registration on any of the grounds previously enumerated, the aggrieved insurer has 10 days in which to appeal to the Federal and Cassation Court.

Accounting and Depreciation

All insurers operating under Venezuelan law must maintain a special system of accounting peculiar to operations of this nature, in the Spanish language, according to the requirements of the Code of Commerce and Venezuelan insurance regulations. Moreover, all contracts, policies, and other documents used by insurance companies in the country must be in the Spanish language, as well as advertising material of all kinds. Also whenever any of the securities or real property deposited as part of the insurer's trustee assets depreciates in condition or price the insurance company must inform the Government without delay.

If the value or condition of the trustee asset is not restored within a maximum of 3 months, the insurer must sub-

Announcements Under the Reciprocal Trade Agreements Act

Trade Agreement Calendar

Trade Agreements Signed

Country	Date signed	Date effective
Cuba	Aug. 24, 1934	Sept. 3, 1934
Belgium (and Luxembourg)	Feb. 27, 1935	May 1, 1935
Haiti	Mar. 28, 1935	June 8, 1935
Sweden	May 25, 1935	Aug. 5, 1935
Brazil	Feb. 2, 1935	Jan. 1, 1936
Canada (see revised agreement below)	Nov. 15, 1935	Do.
Kingdom of the Netherlands (Netherlands in Europe, Netherlands India, Surinam, and Curacao)	Dec. 20, 1935	Feb. 1, 1936
Switzerland	Jan. 9, 1936	Feb. 15, 1936
Honduras	Dec. 18, 1935	Mar. 2, 1936
Colombia	Sept. 13, 1935	May 20, 1936
Guatemala	Apr. 24, 1936	June 15, 1936
France and its colonies, dependencies, and protectorates other than Morocco	May 6, 1936	Do.
Nicaragua	Mar. 11, 1936	Oct. 1, 1936
Finland	May 18, 1936	Nov. 2, 1936
El Salvador	Feb. 19, 1937	May 31, 1937
Costa Rica	Nov. 28, 1936	Aug. 2, 1937
Czechoslovakia	Mar. 7, 1938	Apr. 16, 1938
Ecuador	Aug. 6, 1938	Oct. 23, 1938
United Kingdom, including Newfoundland and the British Colonial Empire	Nov. 17, 1938	Jan. 1, 1939
Canada (revision of agreement of 1935)	do	Do.
Turkey	Apr. 1, 1939	May 5, 1939
Venezuela	Nov. 6, 1939	Dec. 16, 1939
Cuba (supplementary agreement)	Dec. 18, 1939	Dec. 23, 1939
Canada (supplementary agreement)	Dec. 30, 1939	Jan. 1, 1940
Canada (supplementary agreement)	Dec. 13, 1940	Dec. 20, 1940
Argentina	Oct. 14, 1941	Nov. 15, 1941
Cuba (supplementary agreement)	Dec. 23, 1941	Jan. 5, 1942
Peru	May 7, 1942	July 29, 1942
Uruguay	July 21, 1942	Jan. 1, 1943
Mexico	Dec. 23, 1942	Jan. 30, 1943
Iran	Apr. 8, 1943	(*)
Iceland	Aug. 27, 1943	(*)

* The duty concessions and certain other provisions of this agreement ceased to be in force as of Mar. 10, 1938.

* The operation of this agreement was suspended as of Apr. 22, 1939.

* Superseded by supplementary agreement signed Dec. 13, 1940.

* Thirty days after exchange of proclamation (by the President of the United States) and ratification (by the National Assembly of Iran).

* Thirty days after completion of necessary formalities by the Government of Iceland, proclamation by the President of the United States, and exchange of appropriate instruments.

Summaries of the provisions of each individual agreement are published in FOREIGN COMMERCE WEEKLY

promptly after signing. Complete files of the official analysis of each of the agreements, as well as the summaries published by this Department, are available for examination at all field offices of the Department of Commerce. Copies of such analyses or summaries for any particular agreement, figures for the United States trade with "Agreement Countries," and general information regarding the aims, procedure, and operation of the Reciprocal Trade Agreements Program may be obtained from the Trade Agreements Unit of the Bureau of Foreign and Domestic Commerce at Washington.

[A compilation of all changes in the import duties of the United States since the passage of the Tariff Act of 1930, including all duty reductions or bindings by the United States under the trade agreements signed to date, arranged by schedules and paragraphs of the Tariff Act has been prepared by the U. S. Tariff Commission in the form of a pamphlet. This is obtainable from the Superintendent of Documents, Washington, D. C., for 25 cents per copy.]

Countries With Which Intention To Negotiate Has Been Announced

Country	Date of issuance of notice	Latest date for submitting written statements	Date for oral presentation of views
Bolivia	Apr. 4, 1942	May 4, 1942	May 18, 1942
Paraguay	June 23, 1943	July 23, 1943	Aug. 4, 1943

[Detailed information, trade figures, and copies of the lists of products to which the United States announced it would give consideration for concessions, at the time of giving formal notice of intention to negotiate with each of the above countries, are available upon request to the Trade Agreements Unit, Bureau of Foreign and Domestic Commerce, or any of the field offices of the Department of Commerce, as well as from the Committee for Reciprocity Information or the Department of State.]

NOTE.—The above Trade Agreements Calendar will appear, for the present, in the issue nearest the middle of the month of FOREIGN COMMERCE WEEKLY, instead of each week as formerly.

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stitute a new one. On the other hand, when the Ministerio de Fomento is informed by Government insurance inspectors ("fiscales de seguros") of the depreciation of trustee assets or deposits it will immediately notify the affected insurer. The latter must thereupon state within 5 days whether it agrees with the Government's valuation of the assets in question. If the reply is in the affirmative, the above-mentioned period of 3 months will be fixed by the Ministerio de Fomento for restoration of the asset; contrariwise, an appraisal of the assets will be made.

A variety of fines and penalties may be imposed upon insurance companies

and their agents in Venezuela for violations of the insurance law or its regulations.

Food and clothes rationing in the United Kingdom may be continued after the war, according to views expressed by the President of the Board of Trade (Government body) in a recent press release. He mentioned that premature abolition of controls after the last war had caused much hardship, and it would be preferable to carry on under a definite plan rather than encounter widespread confusion.

U. S. Export Control and Related Announcements

Developments communicated to the Trade Controls Unit up to Tuesday, October 12, 1943:

No. 493—Current Export Bulletin No. 126.

The Office of Exports has issued Current Export Bulletin No. 126 covering the following items:

I. PROGRAM LICENSE AUTHORIZING EXPORTATIONS TO THE MIDDLE EAST.

A. The Program.

1. Effective October 1, a program license has been issued to the Combined Agency for Middle East Supplies authorizing the exportation to Middle East destinations of specific kinds and quantities of commodities for specific end uses. The Combined Agency will consist of personnel assigned by the Office of Economic Warfare, the Office of Lend-Lease Administration, and the British Supply Council, under the general supervision of a combined committee composed of representatives of interested agencies of the United States and British Governments. On and after October 1, individual license applications covering exportations to these destinations will be treated as applications for release certificates under the program license. The general licenses specified below in paragraph B will continue in effect and "SP" licenses will continue to be issued by the Office of Exports. Clearance of exportations to Middle East destinations under this program will be authorized by the issuance of release certificates by the Combined Agency for Middle East Supplies located in the Hill Building, Seventeenth and I Streets NW., Washington 25, D. C. (See Comprehensive Export Schedule No. 12 for the general provisions and information pertaining to program licenses.)

2. The following is a complete list of destinations included in this program:

Aden.	Khorya-Morya.
Anglo-Egyptian	Lebanon.
Sudan.	Libya.
Arabia (Saudi).	Palestine.
British Somaliland.	Perim Island (Aden).
Cyprus.	Saudi Arabia.
Egypt.	Sokotra Island
Eritrea.	(Aden).
Ethiopia.	Sudan, Anglo-
French Somaliland	Egyptian.
(Fr. Somali Coast).	Syria.
Iran.	Trans-Jordan.
Iraq.	Yemen.
Italian Somaliland.	
Kambaran Island	
(Aden).	

B. Certain General Licenses Remaining in Effect.

The cancellation of certain general licenses for the above destinations was announced in subject I of Current Export Bulletin No. 85 (Announcement No. 451 in Foreign Commerce Weekly for March 27) and in subject III of Current Export Bulletin No. 105 (Announcement No. 472 in Foreign Commerce Weekly for July 10). General licenses which continue in effect are as follows:

- (a) General intratransit license for shipments originating in Canada and intended for the above destinations.
- (b) General license GUS.
- (c) Personal baggage.
- (d) Ship's stores, fuel, and supplies.
- (e) Plane stores, fuel, and supplies.
- (f) Metal drums and containers of capacity of 10 gallons or less when filled with commodities the export of which has been authorized by individual license.

(g) Developed photograph films, plates, and paper.

(h) Technical data.

C. Individual Licenses Already Issued.

All individual licenses outstanding on September 30 will remain valid until their regular expiration date.

D. Exportations Under Program License.

1. The Combined Agency for Middle East Supplies will act as the certifying agency, issuing release certificates for all exportations to the Middle East destinations. Release certificates will remain valid for 6 months from the date of issuance. Individual license applications which are pending in the Office of Exports will be treated as applications for release certificates. Applications for release certificates shall be made on Form BEW 119, until the use of a regular form of release certificate application is announced. The same number of copies of the BEW 119 should be submitted as are used in making application for individual export license. Acknowledgment cards (BEW 116) should also be filled out and submitted with the release certificate application.

2. Applications for release certificates under the program should be submitted to the Combined Agency for Middle East Supplies, located in the Hill Building, 17th and I Streets NW., Washington 25, D. C. However, licenses covering exportations of petroleum products will be issued by the Office of Economic Warfare and applications for such licenses should be mailed to the Office of Exports, Office of Economic Warfare, Washington 25, D. C. Inquiries concerning the status of release certificate applications or other matters concerning this program should be addressed to this agency.

3. The UKOC Mission, 43 Exchange Place, New York City, has been the agency for contracts with exporters proposing to ship to the above destinations. On October 1, 1943, the UKOC Mission will become part of the combined agency dealing with such shipments. Its title will be changed to the New York Office of the Combined Agency for Middle East Supplies. It will continue as the agency for contracts with exporters and applications for release certificates may be filed with that office at the option of the applicants for forwarding to the Combined Agency in Washington.

4. Applications for release certificates for shipments to Palestine, Trans-Jordan, Aden, and Cyprus may similarly be filed, as in the past, with the British Colonial Supplies Mission, Washington, D. C. Applications so filed will be forwarded to the Combined Agency for Middle East Supplies.

5. No exportations may be made under this program with the knowledge or intention that the commodities covered thereby are to be reexported from the Middle East destination unless the reexportation has been authorized by the Office of Exports, Office of Economic Warfare. (Such reexportations are authorized, however, when made solely between the destinations covered by this program license.)

E. Appeals.

An exporter whose application for a release certificate has been rejected, or whose release certificate has been revoked, may file an appeal from such rejection or revocation with the Office of Exports, Office of Economic Warfare, Washington 25, D. C. In filing an appeal, the same procedure shall be followed as is presently in effect for appealing a rejected license application. (Comprehensive Export

Schedule No. 12.) Inquiries concerning applications which have been returned without action or delayed beyond 4 weeks may also be addressed to the Office of Exports.

II. ZONE NUMBER REQUIRED WITH ADDRESS.

Exporters sending forms, applications or other correspondence to the Office of Exports are urgently requested to indicate the zone number of the mailing address to which the reply, license or other return is to be sent. The lack of personnel in the post office to handle the great volume of war time mail makes it essential that exporters comply with the provisions set up by the Post Office Department for zoning larger cities.

On Forms BEW 119, BEW 151, BEW 166, and BEW 188, and cards numbers BEW 116, BEW 142, and BEW 178, the zone number should be listed for the return address as well as the applicant's address wherever these occur.

III. ARGENTINE REVALIDATION PROGRAM TO BE CONCLUDED OCTOBER 15, 1943.

No license to export to Argentina issued prior to May 1, 1943, will be considered for revalidation unless it has been submitted to the Office of Exports on or before October 15, 1943.

Exporters are referred to Current Export Bulletin No. 109 (Announcement No. 476 in Foreign Commerce Weekly for August 7), which stated that all outstanding individual licenses (BEW 119 or BEW 166) issued prior to May 1, 1943, for exportations to Argentina, would be revoked effective August 2, 1943, with the following exceptions:

(a) Shipments on dock, on lighter or laden aboard the exporting carrier prior to August 2, 1943.

(b) SP licenses, WP licenses, licenses under mine serial numbers, and licenses for the operation of the meat-packing plants engaged in the fulfillment of the United Nations' contracts.

IV. RETURN OF INDIVIDUAL EXPORT LICENSE TO LICENSEE AFTER PARTIAL SHIPMENT.

In the interest of greater flexibility, effective October 15, 1943, current procedure in connection with individual export licenses involving partial shipments is modified as follows:

(a) When only a partial shipment is intended to be made against the license from the original point of exportation or mailing and the balance or parts thereof from another point, the licensee or his agent may obtain the return of the license from the collector of customs or postmaster by means of a letter attached to the license. Such return will be expedited by the inclusion of a self-addressed and stamped envelope.

(b) Prompt return of a license by the licensee or his agent to the Office of Exports, Office of Economic Warfare, Washington 25, D. C., must be made (1) when partial shipment against such license has occurred and no additional shipments against the unshipped balance are contemplated; (2) when the validity of the license has expired.

(c) Collectors of customs and postmasters will return directly to the Office of Exports, and not to licensees, all individual licenses upon which exportations have been completed or whose validity has expired.

V. COLLECTORS TO RETURN EXPIRED LICENSES PROMPTLY TO OFFICE OF EXPORTS.

Since the period of validity of certain individual export licenses has been extended to 1 year, the retention of such licenses beyond the expiration date by the collectors of customs is no longer deemed advisable. Therefore, effective immediately, all such individual licenses will be returned to the Office of Exports by collectors the day following expiration, unless the collector is advised by the exporter, sufficiently in advance of the expiration, that he has applied for the extension of validity of a specific license. Such licenses will be held by the collector for an additional period of 30 days and then re-

turned to the Office of Exports if the approved extension has not been received during this grace period. Exporters are therefore reminded to anticipate the expiration of a license sufficiently far in advance to obtain an extension where one is warranted and to notify the collector of customs holding the license of the extension request prior to that expiration date.

VI. ADOPTION OF DECENTRALIZATION PROGRAM BY CANADA FOR EXPORTS TO OTHER AMERICAN REPUBLICS.

Exports from Canada to the other American Republics, whether shipped directly or by way of the United States, are now included within the decentralization program. This is the result of a recent agreement between the Governments of Canada, the United States, and the various other American Republics. Import recommendations covering proposed exports from Canada will be stamped in the upper left-hand corner with the word "Canada." Export orders received by United States export commission firms which specify that the commodities are to be exported from Canada will be accompanied by copy No. 4 of an import recommendation marked "Canada." Under such circumstances, the United States exporter shall send the import recommendation to the Canadian supplier, who will obtain an export permit and make the shipment in the usual manner.

VII. RENEWAL OF EXPORT LICENSES WHERE PREFERENCE RATINGS HAVE BEEN ASSIGNED.

As announced in Current Export Bulletin No. 112 (Announcement No. 479 in FOREIGN COMMERCE WEEKLY for August 21), an applicant, when filing an application for an export license, is required to state whether or not a preference rating is required to obtain the materials for export.

In order to make it possible to grant the largest number of licenses for materials in short supply and under allocation, it is necessary for the Office of Exports to know, in considering license applications, whether a preference rating is needed; or in the case of an application to renew a license, whether a preference rating previously granted has already been used.

Therefore, when it becomes necessary to apply for a renewal of a license, where a preference rating has been issued, the applicant must state whether the commodities covered by the license have been procured as a result of the preference rating granted him originally.

VIII. IN-TRANSIT SHIPMENTS DETAINED IN THE UNITED STATES—RETURN OF SUCH SHIPMENTS TO COUNTRIES FROM WHICH THEY WERE EXPORTED.

Various in-transit shipments en route through the United States from the Middle East or European neutral countries to destinations which are now under control of the enemy have been detained in the United States. Applications for export licenses to return such shipments to the countries from which they were originally sent will be considered by the Office of Exports, provided such countries are not now enemy occupied. Every such application for an export license, however, must be accompanied by a statement indicating whether or not part or full enemy ownership is vested in the consignment by virtue of any financial transactions between the United States exporter, as a forwarding agent, and the original consignee.

IX. CHANGE IN PROCEDURE UNDER NEWFOUNDLAND PROGRAM LICENSE.

Effective immediately, exporters desiring to make exportations to Newfoundland are no longer required to submit import recommendations with their applications for release certificates. However, the Newfoundland Supply Liaison will examine all applications for release certificates covering exportations to Newfoundland before certification by the Office of Exports, Office of Economic Warfare and all such applications should be mailed directly to the Newfoundland Supply Liaison, 507 Fifteenth Street NW., Washington 5, D. C.

X. GENERAL LICENSE FOR NEWSPRINT CORES (GPM).

A general license, designated GPM, has been issued authorizing the export of newsprint cores, made of any kind of material, provided that such cores have been imported into the United States either alone or as part of the packing of imported newsprint paper.

Motion Pictures' Post-War Role

(Continued from p. 7)

must cause the production, with American capital, of a given number of films there. One feels justified in saying that it seems difficult to discern the equity of such hobbling requirements—under which the Hollywood films must struggle over difficult hurdles before they can reach the foreign screens and satisfy the eager entertainment hunger of the foreign audiences.

A thoroughly impartial observer on the sidelines might well ask: Is it not true that *quality of product* is the only genuine basis and criterion of fair competition? The foreign patron at the box office, in the post-war period, will be the

real and competent judge of quality films and of the types of pictures that he prefers.

If pictures produced in the United States happen to be bad, audiences in this country will not patronize them merely because they are of American make. The same holds true in other world markets. Administrative walls and restraints cannot make unsatisfactory motion pictures seem good to those who view them. Shackles imposed from above, like artificial stimuli for an effort inherently weak, simply serve to distort the normal pattern of things and to impede or frustrate the natural movements, in international commerce, of motion pictures as a vehicle of entertainment, emotion, vision.

It may assuredly be said that the United States motion-picture industry feels, unanimously, that the *quality standard* is the only type of barrier to which our American films should be subjected, in order to do business in world markets.

For Fair Opportunity

Will the free flow, between nations, of this powerful "intangible," the motion
(Continued on p. 38)

Interesting Program Promised for Foreign Trade Convention

The National Foreign Trade Convention, meeting at New York City October 25-27, with headquarters at the Hotel Pennsylvania (see "boxed" article on p. 22 of last week's FOREIGN COMMERCE WEEKLY), has scheduled what promises to be a program of exceptional interest and value for all segments of the foreign-trading community.

Considerations of space prevent the publication here of the entire list of addresses and meetings that have been planned, but a number of these will be cited as typifying the themes to be discussed and the objectives aimed at.

The first General Session will be addressed by Eugene P. Thomas, Chairman of the National Foreign Trade Council; William L. Clayton, Assistant Secretary of Commerce; John E. Otterson, Chairman of the American Maritime Council; and Brooke Claxton, M. P., Parliamentary Assistant to the Prime Minister of Canada.

The Bankers' Luncheon will hear the views of Wilbert Ward, President of the Bankers' Association for Foreign Trade; Charles E. Spencer, Jr., President of the First National Bank of Boston; Joseph C. Rovinsky, Vice President of the Chase National Bank; and R. E. Knight, of the Bank of Montreal. At the Banking Session of the Convention, presided over by Clarence E. Hunter and Arthur W. Johnson, the leading subject of discussion will be Monetary Policy and Exchange Stabilization, with Dr. Harry D. White, of the Treasury Department, as one of the speakers.

The Transportation and Insurance Session will hear, among others, G. C. Randall, Manager of Port Traffic for the Association of American Railroads; A. A. Alexander, of the War Shipping Administration; and W. H. Lukens, an export manager.

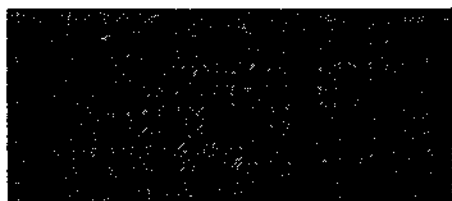
The second General Session, on Tuesday, will have as speakers Philip Young, of Lend-Lease; Dr. James T. Shotwell, Chairman of the Commission to Study the Organization of Peace; and Frederick C. Crawford, President of the National Association of Manufacturers. At "The Americas" session, one of the principal speakers will be Nelson A. Rockefeller, Coordinator of Inter-American Affairs.

Among the subjects to be discussed in the Wartime Export Forum are Export Control, Lend-Lease Operations, Export Allocations and Supply Assistance, Export Price Regulations, Export Merchandising, Foreign Funds Control, Censorship, the Proclaimed List, the British Blacklist.

The Importers' Group Session will command the services of able speakers, as will the Export Advertising Session and the various Industrial Group Sessions.

Foreign Trade Reconstruction will form the highly significant subject of one of the major sessions of the Convention.

All in all, it appears certain that this Convention will embody the best thought, and will express the sound judgment and reasoned aspirations, of the foreign-trading community in the United States today.



Charles C. Concannon (co-author of "Chilean Chemical Picture").—Born Boston, Mass. Graduate Boston Latin School; Harvard, B. A., 1911. For 5 years sold industrial chemicals, traveling throughout New England for Brewer & Co., of Worcester. In 1916 became associated with Takamine Laboratories of New York City, taking an active part in management of various enterprises of that concern, in connection with which he spent 2 years in Japan and China. Mr. Concannon's efforts while in private industry were devoted to sales and management, with the emphasis largely on the development of that which was new as to markets, sources, products, processes, and uses. Appointed in 1922 to the Bureau of Foreign and Domestic Commerce, he organized the Chemical Division, and as its Chief he has traveled extensively throughout the world and has written many books and articles in the chemical and related fields having to do with economics, industry, and foreign trade. Mr. Concannon plans to leave shortly for Chile, to act for one year as adviser and consultant to the Chilean Government, after which period he plans to return to his position in the Bureau of Foreign and Domestic Commerce at Washington.

Henry P. Crawford ("Insurance Law of Venezuela").—See the May 15, 1943, issue of FOREIGN COMMERCE WEEKLY.

Nathan D. Golden ("Motion Pictures' Post-War Role").—Born Bellaire, Ohio, July 4, 1895; attended Emerson Institute, Columbus University, LL.B. Washington College of Law. Admitted to practice before the District of Columbia Bar. Entered Bureau of Foreign and Domestic Commerce service in August 1926, as Assistant Chief of newly organized Motion-Picture Section; Chief of the Section, July 1933; Chief of the Division, 1937; now Chief of Motion-Picture Unit. Prior to appointment to the Bureau's service, was engaged in motion-picture industry in the production, distribution, and exhibition, as well as equipment, fields. Served during the World War from October 1, 1917, to April 30, 1919, with Headquarters Company of One Hundred and First Infantry, Twenty-sixth Division. Engaged in the Chateau-Thierry, Saint Mihiel, and Argonne offenses—wounded in action. Fellow of the Society of Motion Picture Engineers; American Projection Society; life member of the Projection Advisory Council; recipient of the first annual gold plaque merit award in 1930 offered by the Projection Advisory Council for contributions to the field of motion-picture projection; International Alliance of Theatrical Stage Employees and Motion-Picture Projectionists of the United States and Canada, National Press Club and Variety Club

of Washington; Y. D. Club of Washington, D. C. Author of numerous papers covering foreign motion-picture markets presented at conventions of the Society of Motion-Picture Engineers, and of articles contributed to motion-picture trade publications.

Anna Hazel Swift (co-author of "Chilean Chemical Picture").—See the May 29, 1943, issue of this magazine.

Motion Pictures' Post-War Role

(Continued from p. 37)

picture, be given consideration in the conditions that will surround the framing of the peace? The American industry hopes so.

It seems virtually certain that the agenda of the peace-making will embrace the endeavor to assure fair conditions and circumstances in other activities such as mining, agriculture, oil, steel, air transport, and various other economic aspects of the modern world. Many students of the situation believe that comparable attention and efforts may well be devoted to the motion picture, which may fairly be said to have proved itself a necessary instrumentality in the successful prosecution of the war, and which promises to be equally significant in the coming era of peace.

The morale-value of our pictures is being attested, at this moment, by careful observers abroad. As quickly as Axis-occupied territories are liberated, American motion pictures are sent in for showing to the people who have been freed from the Nazi-Fascist tyranny. People who had "starved" for years for really entertaining American films, who had been forced to look solely at Nazi propaganda pictures, are today crowding the theaters of North Africa and Sicily as never before.

The motion-picture industry has often been referred to as one of the 10 leading American industries. Its contribution to the war effort has certainly been notable. It has its share of gold stars on its service flags. Its personnel and facilities have been made available to the Government without profit, and its stars have brought relaxation and high-spirited pleasure to our fighting men in the training camps in the United States and at the front-line posts in all theaters of war. One well-known columnist-commentator made this statement, just the other day: "Diversion and recreation are vacuum-cleaners for the mind: the movies, according to first-hand accounts, are making better fighting men in the South Seas."

Value Amply Attested

A recent number of the Department of State Bulletin cites numerous striking examples of the enthusiasm with which American films (the writer is speaking especially of nontheatrical pictures, but his observations apply, one feels, to American movies in general) are received today by civilians in remote foreign regions. We are told how, in

one country to the south of us, the projector used by the United States Embassy in the capital city during the day was loaded onto a truck and carried outside the city to the coffee plantations for showings in the early evening to the coffee pickers, many of whom had never seen a motion picture. The films were received *rousingly* by the laborers.

At the other extreme are the seminaries and schools of the churches, sometimes located in isolated spots, whose students are thirsting for knowledge of the outside world. According to one field report, two priests from a seminary appeared at the American Embassy in a leading South American capital one afternoon to request a showing at the school. They wistfully inquired whether a 3-hour exhibition would be asking too much—since the students could ordinarily see films *only once a year*.

Enthusiastic motion-picture audiences abroad (the State Department writer notes) have become a routine, but never uninteresting nor unimportant, story. Photographs of the audiences show the intense eagerness with which the people attend the exhibitions. In one case, "three benches at the rear broke under the weight of the persons standing on them before the show was over." More than 500 eager townspeople had jammed into a tiny hall.

"The motion picture," says the State Department in its general comment, "is a recognized instrument of communication capable of presenting clearly to millions, literate or not, the best-selling novel of the year, the latest victory on the battle-fronts, or, by means of animation, it can describe in detail the internal operation of an engine." Motion pictures, the Department stresses, "are serving a long-range need in identifying the true spirit of the United States through pictures showing our people's daily lives, their work, their institutions, and their land."

Task for Post-War Planning

The endeavor to assure that foreign markets in the post-war period shall be reasonably free of access for our films should be, and is being, recognized today as one of the imperative calls upon the best intelligence of the American motion-picture industry.

It is one phase, but perhaps a *dominant* phase, in the conscious, wise, and resolute shaping of the pattern of the future—for something that is not only a commercial product but is, at the same time, admittedly a powerful (though intangible) emotional, mental, and spiritual force that can contribute much to wholesome pleasure and reasoned progress in the decades and centuries to come.

Business Is the
Greatest Single Force
for Social Good

New Books and Reports

* The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. Please note: The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Current Interest Appearing in the Department of State Bulletin October 2, 1943

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., for the price of 10 cents each; subscription price \$2.75 a year. The October 2 issue contains these articles:

LEND-LEASE AID TO THE UNITED NATIONS.

CONTINUATION OF FOREIGN RELIEF AND REHABILITATION OPERATIONS.

THE MEDITERRANEAN COMMISSION.

CAPTURE OF PRIZES ON THE HIGH SEAS.

ADDRESS BY JOSEPH C. GREW AT THE TWENTY-FIFTH ANNIVERSARY CELEBRATION OF THE 77TH DIVISION.

EXCHANGE OF AMERICAN AND JAPANESE NATIONALS.

UNITED STATES INFORMATION LIBRARIES ABROAD.

APPOINTMENT OF VISITING UNITED STATES PROFESSOR IN CHINA.

COMPENSATION FOR PETROLEUM PROPERTIES EXPROPRIATED IN MEXICO.

CELEBRATION OF JEWISH NEW YEAR.

RESIGNATION OF ADMIRAL WILLIAM H. STANLEY AS AMERICAN AMBASSADOR TO THE SOVIET UNION.

INTER-AMERICAN DEMOGRAPHIC CONGRESS.

PROCLAMATION OF THE TRADE AGREEMENT WITH ICELAND.

Other Publications

COMMERCIAL POLICIES AND TRADE RELATIONS OF EUROPEAN POSSESSIONS IN THE CARIBBEAN AREA. U. S. Tariff Commission. 1943. Report No. 151, Second Series. 337 pp. Price, 40 cents.

Available from: Superintendent of Documents, Washington 25, D. C.

BRAZIL: FINANCIAL AND ECONOMIC REVIEW. The Chase National Bank. 1943. 9 pp. A summary of financial and economic conditions in Brazil. Discusses its foreign trade, monetary unit and foreign exchange, banking, money market and circulation, agricultural and forest products, mineral wealth, industries and their growth, and the outlook for the future.

U. S. Foreign Trade in August

Total value of exports from the United States during August 1943 exceeded \$1,205,000,000, according to an announcement by the Bureau of the Census, Department of Commerce—the fourth consecutive month the export total has exceeded a billion dollars.

The August export of \$1,205,000,000 represented a 4-percent decrease from the July total of \$1,251,000,000 and a 71-percent increase over the total of \$703,000,000 for August 1942. For the first 8 months of 1943, the value of exports amounted to \$7,963,000,000, a figure more than 64 percent above the total for the same period of 1942 and only 1 percent less than the \$8,036,000,000 total value for the entire year of 1942. Export totals exclude shipments to our armed forces abroad but include Lend-Lease shipments to the United Nations.

The value of general imports (arrivals) of merchandise into the United States for the month of August 1943 was \$316,000,000, an increase of 5 percent above the July total of \$300,000,000. The August 1943 import total showed a 70-percent increase over the value of \$186,000,000 for the same month of last year. Imports for consumption for August 1943 were valued at \$307,000,000, an increase of 4 percent from the preceding month's total of \$295,000,000. The August "imports for consumption" total represents a 66-percent increase over the August 1942 value of \$185,000,000.

Revised figures for July 1943 indicate that general imports (arrivals) are now exceeding imports for consumption—a reversal of the relationship established in September 1942.

Summary figures on exports and imports for 1942 and 1943 are as follows:

[In millions of dollars]

Period	Exports		Imports	
	Total (including reexports)	United States merchandise	General (arrivals)	Imports for consumption
1942:				
January.....	\$481,463,000	\$475,205,000	\$253,546,000	\$256,046,000
February.....	479,993,000	476,357,000	253,609,000	239,552,000
March.....	627,003,000	624,574,000	274,190,000	252,109,000
April.....	716,774,000	709,077,000	234,570,000	223,604,000
May.....	535,652,000	529,701,000	190,791,000	191,974,000
June.....	648,224,000	642,892,000	214,746,000	199,708,000
July.....	649,926,000	645,009,000	213,210,000	209,249,000
August.....	703,096,000	696,245,000	185,323,000	184,766,000
September.....	732,014,000	725,866,000	196,033,000	196,755,000
October.....	801,382,000	794,268,000	199,790,000	223,400,000
November.....	786,860,000	780,753,000	168,079,000	186,715,000
December.....	873,145,000	864,866,000	358,787,000	407,417,000
January-December.....	8,036,132,000	7,961,773,000	2,741,934,000	2,771,344,000
1943:				
January.....	730,265,000	723,562,000	228,214,000	245,588,000
February.....	718,528,000	710,527,000	233,959,000	245,173,000
March.....	991,641,000	977,200,000	249,240,000	263,992,000
April.....	979,741,000	970,334,000	257,891,000	267,771,000
May.....	1,084,514,000	1,075,787,000	280,883,000	284,959,000
June.....	1,002,351,000	996,772,000	302,239,000	307,463,000
July.....	1,250,528,000	1,242,768,000	300,286,000	294,526,000
August.....	1,205,396,000	1,194,031,000	315,730,000	306,878,000
Cumulative totals—January-August:				
1942.....	4,842,731,000	4,796,000,000	1,819,285,000	1,757,048,000
1943.....	7,963,464,000	7,890,981,000	2,168,442,000	2,216,349,000

¹ Preliminary totals. Monthly export totals for 1943 and the "imports for consumption" total for July 1943 have been revised since the issuance of the previous release.

Available from: Foreign Department, The Chase National Bank of the City of New York, Pine Street Corner of Nassau, New York 15, N. Y.

THE ECONOMIC SYSTEM—TODAY AND TOMORROW. William Benton, Eric Johnston, and Harold J. Laski. 1943. University of Chicago Round Table Discussion No. 282. 29 pp. Price, 10 cents. Third in a series of discussions on Lessons of the War.

Available from: The University of Chicago Round Table, Chicago, Ill.

TUNGSTEN. K. C. Li and Chung Yu Wang. 1943. American Chemical Society Monograph Series No. 94. 342 pp. Price, \$7. A volume designed to stimulate interest in the future of the tungsten industry. Discusses the history of tungsten, its geology, ore-dressing, metallurgy, chemistry, analysis, industrial application, substitution, and economics.

Available from: Reinhold Publishing

Corporation, 330 West Forty-second Street, New York, N. Y.

FOOD AND FARMING IN POST-WAR EUROPE. P. Lamartine Yates and D. Warriner. 1943. 118 pp. Price, \$1.25. Discusses essential facts concerning the problem of rehabilitation of Europe's peasantry, and outlines a practical policy in which prosperous agriculture and abolition of malnutrition are major post-war aims. Contains pictures and maps.

Available from: Oxford University Press, 114 Fifth Avenue, New York, N. Y.

12 MONTHS THAT CHANGED THE WORLD. Larry Lesueur. 1943. 345 pp. Price, \$3. Begins with the successful defense of Moscow and ends with the successful defense of Stalingrad. Describes the Russian Army in action and the overnight movement eastward of the great factories on the western front.

Available from: Alfred A. Knopf, Inc., 501 Madison Avenue, New York, N. Y.

News by COUNTRIES

(Continued from p. 21)

North Sea ports and Delfzijl. This has not resulted in any notable changes in freight rates. The freight level in July 1943 was 10 points lower than for the corresponding month in July 1942.

Tanganyika

Wartime Commodity Controls

Sales of Lint Cotton Government-Controlled.—All lint cotton ginned from cotton planted in Tanganyika in 1943 is the property of the government until sold, and it is to be disposed of only on order of the Director of Agriculture at prices approved by him in accordance with prescribed regulations. The first order to this effect was published in the Gazette of July 23.

A group known as the Eastern Province Association of Cotton Exporters has been established for the purpose of buying and exporting the cotton from East Africa. To qualify, a member must have exported a minimum of 2,000 bales of eastern province cotton during the basic years 1935 to 1942, and have exported that minimum amount for more than 1 year.

Ginners are to dispose of their cotton under the direction of the Director of Agriculture, who supervises sale to members of the exporters group. Cotton destined for the Ministry of Supply is also under the orders of the Director.

Tariffs and Trade Controls

Import Quota for Agricultural Tools To Be Allotted.—Allocation of 1944 import quotas for certain agricultural hand tools is to be made by the Tanganyika Economic Control Board, according to the Gazette of July 9.

Dealers desiring to import any of the scheduled items are to submit detailed returns of their imports during 1937-42 inclusive.

To facilitate shipment of outstanding orders for 1943, dealers have also been asked to advise the Board of such unfilled orders.

Scheduled items include axes, hatchets, picks, mattocks, spades, sisal knives, and similar tools.

Uruguay

Wartime Commodity Controls

Fuel Oil: Maximum Sales Prices Established.—Fuel oil is to be sold by the cubic meter instead of by the ton as heretofore, and the maximum sales prices in Montevideo for light and heavy fuel oil will be 76.50 and 72.75 pesos, respectively, per cubic meter at 15° C., according to a decree of September 3, 1943, published in the Uruguayan Diario

Oficial of September 13. Prices in the interior will be established on the basis of the Montevideo prices.

Tariffs and Trade Controls

Dextrine: Included Temporarily in Raw-Materials Section of Tariff at Lower Duty.—In view of the current shortage of corn, the inclusion in the raw-materials section of the Uruguayan tariff, for 1 year only, of dextrine imported for industrial purposes became effective July 30, 1943, according to a resolution of that date, published in the Diario Oficial of August 20. Such dextrine will be dutiable at 15 percent, plus a surtax of 21 percent of a fixed official customs valuation of 0.18 peso per gross kilogram. It will be exempt from the 50-percent surtax established by a decree law of July 24, 1942.

Iron Hoops: Included in Raw-Materials Section of Tariff at Lower Duty.—Iron hoops used for the manufacture of Bergmann tubing are included in the raw-materials section of the Uruguayan tariff, dutiable at 10 percent, plus a surtax of 16 percent of a fixed valuation of 0.045 peso per gross kilogram, according to a resolution of September 10, 1943, published in the Diario Oficial of September 20.

Sugar: Purchase From Brazil Authorized.—The purchase of 128,000 bags of sugar of 60 kilograms each by the Bank of the Republic for account and order of the Government of Uruguay, from the Sugar and Alcohol Institute of Brazil, in accordance with the agreement with that institution dated October 27, 1942, was authorized by a decree of August 13, 1943, published in the Diario Oficial of August 20.

The Bank will transfer the merchandise in the Uruguayan customs to local dealers who have obtained the corre-

sponding import permit from the Export and Import Control, and upon payment of the price established by the Executive Power.

[For announcement of previous imports of sugar from Brazil, see FOREIGN COMMERCE WEEKLY of January 2, 1943.]

Fuel Oil: Import Quota Established.—The importation of 57,000 tons of fuel oil to supply domestic needs which cannot be met by the present production of the ANCAP refinery (National Administration of Fuel, Alcohol, and Portland Cement) was authorized by a resolution of August 13, 1943, published in the Uruguayan Diario Oficial of September 14. Of 1943 will be divided proportionately between the ANCAP and the private companies on the basis of last year's sales.

French African Air Lines Extended

French air lines in West and Equatorial Africa have been extended to connect with other operating lines, reports the foreign press. Airplanes now operate between Algiers, Dakar (Senegal), Duala (French Cameroun), Pointe Noire (French Equatorial Africa), Brazzaville (French Congo), Jibuti (French Somaliland), and Antananarivo (Madagascar).

El Heraldo, a newspaper of Caracas, Venezuela, announces that the United States has offered to buy Venezuela's exportable surplus of beer for the United States soldiers in Africa. The United States, reportedly, would cooperate in increasing beer production by sending experts to Venezuela.



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THIS WEEK

Looking Ahead in Foreign Trade.....	3
Foreign Trade After the War.....	5
Imports Make Total War Possible.....	8
Price Control in South America.....	12
New Basic Guide for Foreign Traders.....	14
International Air Transport.....	16

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News by COUNTRIES

Argentina.....	18	Italy.....	23
Belgium.....	20	Mexico.....	24
Brazil.....	21	Paraguay.....	25
Colombia.....	21	Spain.....	26
Cuba.....	22	Switzerland.....	26
Dominican Republic.....	23	Tanganyika.....	26
Germany.....	23	Union of South Africa.....	27
Haiti.....	23	Uruguay.....	27
India.....	23	Zanzibar.....	42

News by COMMODITIES

Beverages.....	28	Medicinals and Crude Drugs.....	35
Chemicals.....	28	Motion Pictures and Equipment.....	36
Coal and Peat.....	28	Nonferrous Metals.....	36
Construction.....	29	Nonmetallic Minerals.....	36
Electrical Machinery and Equip- ment.....	29	Oils and Oilseeds.....	36
Foodstuffs and Allied Products.....	30	Paints.....	37
Glass and Products.....	33	Petroleum and Products.....	37
Hardware.....	34	Radio.....	37
Leather and Related Products.....	34	Railway Equipment.....	37
Lumber and Products.....	34	Soaps and Toiletries.....	38
Machinery, Other Than Electrical.....	35	Textiles and Related Products.....	38
		Tobacco and Related Products.....	39

REGULAR DEPARTMENTS

Latin-American Exchange Rates.....	40	New Books and Reports.....	45
United States Export Control and Related Announcements.....	47	Pertinent Comments on World Economy Today.....	39
Trade-Mark Applications.....	46	Contributor's Column.....	44
U. S. Tariff Commission Postpone- ment of Hearing.....	17	Announcements Under the Recipro- cal Trade Agreement Act.....	43

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Looking Ahead in Foreign Trade

By AMOS E. TAYLOR, Director of the Bureau of Foreign and Domestic Commerce¹

WE OFTEN HEAR IT SAID that until the war is over we should get on with the fight and not concern ourselves about the post-war world. The difficulty with this line of reasoning is that it is only in terms of a better world in the future that we can understand and rationalize the purposes for which we are fighting. Moreover, the very nature of war is such that we are certain to direct our thoughts primarily to the time when we can again live our lives in peace and comfort. The human wastage and social dislocations of war are things which we instinctively wish to think of as things that belong to the past and not to the future. We are bound to be animated by that fundamental desire of all human beings: namely, that of making a living.

Figures Are Amazing

There is one thing about war, however, which in a strictly statistical sense is always bound to impress us. At a time when our national safety is at stake, we have demonstrated to ourselves that we can perform wonders in production and in putting to effective use all our energy and efforts directed toward overcoming the enemy. Our estimated gross national product of \$180,000,000,000 for 1943 will set a precedent; and our national income, which is estimated for the current year at \$148,000,000,000, carries us to levels unheard of before.

By the end of the year it is estimated that our total national product will attain an annual rate of \$200,000,000,000, while our national income will be running at a level which is correspondingly high. Even allowing for a rise in prices, these figures show how phenomenal is our production when our maximum effort is put forth.

Our ability to produce is reflected in the wartime statistics of our foreign trade. Our merchandise exports which amounted to \$5,150,000,000 in 1941 rose to a value of \$7,800,000,000 in 1942. These figures do not include materials carried abroad by our own forces. Even if we omit Lend-Lease shipments, our exports last year totaled \$3,149,000,000. Similarly, our imports of \$2,736,000,000 in 1942 were substantially higher than the average of \$2,489,000,000 during the 1936-38 period.

¹ Editor's Note.—This article reproduces the greater part of Dr. Taylor's recent address at a meeting of the Philadelphia Foreign Traders Association.

Vital Criterion

There is no need, here, to discuss these figures in detail. What is really significant is the fact that a volume of output and a volume of international trade in peacetime equal to what we are now experiencing would reflect a level of prosperity and well-being such as we have never before experienced.

Anything that could be done, therefore, to continue such a volume of production together with full employment in time of peace, with the civilian population rather than the engines of war consuming the output, would truly be something worth-while trying to achieve.

The degree to which we can succeed in attaining such an objective is bound to reflect the degree of success with which we can at present direct our attention and our efforts toward a workable program of economic reconstruction.

In time of war a great part of our production is used for destructive purposes. Our civilian supplies are limited, and we are subjected to the discomforts of rationing and of various other controls.

Painful Transition Certain

The transition from war to peace is certain to be painful and difficult. We still have unpleasant memories of the dislocations in the international exchanges and frictions in the domestic economic machinery of various countries which were the heritage of the war of 1914-18. The problem will be no less difficult this time. But it can hardly be denied that the attention which is now being directed toward mitigating the painful effects of the transitional period will prove valuable guides during the years immediately ahead.

Interdependence "Driven Home"

Unless we are prepared to submit to the disagreeable conclusion that the output of our factories and of our farms cannot be as readily utilized and consumed in time of peace as in time of war, we must indeed feel that the peace is more difficult to win than the war itself. Instead of retarding the war effort, our efforts at this time toward full employment, maximum production, and a high standard of living after the war should prove a stimulus toward our more effective prosecution of the war.

We realize much more fully than we did even a decade ago that the world is

economically interdependent. In a sense, Pearl Harbor drove this fact home to us with emphasis. What is much more important, so far as the future is concerned, is the fact that the shrinkage of time and space will bring various peoples closer together after the war, and one need not permit his imagination to be given too free a play to appreciate the potentialities of markets after the war which only a short time ago seemed exceedingly remote.

I shall not attempt to discuss all the implications of these developments for the future so far as the interchange of goods and services is concerned. We do know that the trading world of the future is bound to differ materially from that of the past.

Avert Domestic Slump!

Even a casual study of the economic history of the United States, as that of all important commercial countries, shows that there is a very close relationship between the volume of foreign trade and that of the level of domestic prosperity. The post-war foreign trade of this country, it is safe to assume, will be materially influenced by the extent to which our post-war program of full employment, maximum production, and high level of national income can be realized and maintained. On the other hand, should we unfortunately find ourselves falling back into a long-sustained slump with millions unemployed, together with the impact of depression in this country upon economic conditions in foreign countries, any policy designed to facilitate the flow of goods in either direction will most probably fail.

The Qualitative Aspect

We are accustomed to speaking of international trade in a purely quantitative sense. It should be remembered that there is such a thing as a qualitative aspect of international commerce. A high volume of trade may for the time being be maintained along certain particular channels, but pulmotor methods are, in the end, likely to exercise only adverse influences on international trade as a whole. There is such a thing as good health even in international trade. Goods shipped from one country become the merchandise imports of another country. It is important that economic health prevail at each end of the transaction.

For Healthy World Markets

The history of the breakdown in international trade and finance in the early 1930's has proved very instructive. When countries whose buying power abroad was derived from shipments of one or two basic raw materials found themselves in a position in which the prices of their products were sharply declining and the demand falling off, they found it necessary to introduce exchange controls and other restrictive measures. The rationing of foreign exchange implies in a sense the same kind of fundamental condition in the world market as the rationing of food does in a domestic wartime economy. At any rate, we do not like to think of either as normal.

The reconstruction of world trade may therefore be said to be primarily a matter of healthy world markets. Unhealthy markets are potentially breeders of economic conflict and frequently of war itself. It is very clear at the present time that in many parts of the world the economy of the 1930's was really a war economy. The system of controls which in total war becomes universal is the *antithesis* of the system toward which our post-war efforts are therefore quite naturally directed.

Salutary Objectives

I am sure that we are all familiar—at least in a general sense—with the text of Article 7 of the Master Lend-Lease Agreements. With the full knowledge that the difficulties growing out of the international transfer problems after the last war contributed materially to the economic unsettlement which culminated

in the present conflict, we have developed a method of approach designed to place the international economy on a more healthful basis after this war. It is true that Article 7 is a very broad statement of principle; but we must necessarily operate within the framework of broad principles if a system of effective collaboration is to be realized.

It is stated that "in the final determination of the benefits to be provided," the settlement of Lend-Lease is to be made under conditions that will not burden commerce between the countries concerned, but will "promote mutually advantageous economic relations between them and the betterment of the world-wide economic relations."

This is another way of saying that settlement is to be directly associated with a definite objective: namely, that of freeing trade, removing wartime controls and restrictions—all with a view to expanding production, employment, and exchange and consumption of goods. It is stated in Article 7 that the ends in view assume the elimination of all forms of discriminatory treatment in international trade and the reduction or elimination of trade barriers.

These steps must be universal and carried forward by mutual understanding. This does not mean that national interests must be subordinated to what some may view as lofty ideals; but in a very practical sense it means that, since it takes two to do business, there must be genuine collaboration.

At the present time we are still operating in a war economy. Until victory has come, our economic machinery must remain geared to producing goods for the machines of war rather than for our

civilian comforts. In other words, until the things that we produce can be used, either here or in foreign markets, for peacetime consumption, the controls essential in wartime must remain in effect.

Bureau Constantly Active

During this period, the Bureau of Foreign and Domestic Commerce is energetically aiding the war effort in providing war agencies with services and information in every field of domestic and international wartime activity. At the same time, it is utilizing its facilities in behalf of private business in both domestic and foreign trade.

The Bureau is fully cognizant of the fact that business is looking ahead even while engaged to the maximum in an all-out war. Our efforts are geared toward meeting the needs of private industry as it prepares for reconversion to post-war requirements.

In our recent report, "Markets After the War," we attempted to define the goals and to set the sights for post-war production and employment in the United States. At the same time, as part of our over-all program, we are appraising developments in all parts of the world, with a view to making available at all times our services to those participating in what we hope will be a very healthy type of international business after the war.

Peru Making Tires From Home-Produced Materials

Peru is manufacturing its first automobile tires made entirely from Peruvian raw materials in a new plant erected in Lima by the Goodyear Co. of Peru.

Peru produces rubber and cotton, essential raw materials in tires. The Republic is developing production of both wild and plantation rubber to cover domestic needs as well as to provide a surplus for export to the United States.

Peru's extensive forests in the upper Amazon area, east of the Andes, hold large possibilities for expansion of wild-rubber production, provided transportation, manpower, and food difficulties can be solved.

The new Lima factory is scheduled to be producing 100 tires and tubes daily by the end of 1943.

Besides Peru, tire factories are operating in Mexico, Cuba, Venezuela, Brazil, and Argentina—mostly built during the past decade of expanding rubber manufacturing in Latin America.

Owing to the difficulty of importing tires and essential rubber products from the United States, and the loss of rubber imports from the Far East, the incentive to develop manufacturing facilities as well as production of crude rubber has increased in the other Americas since Pearl Harbor.

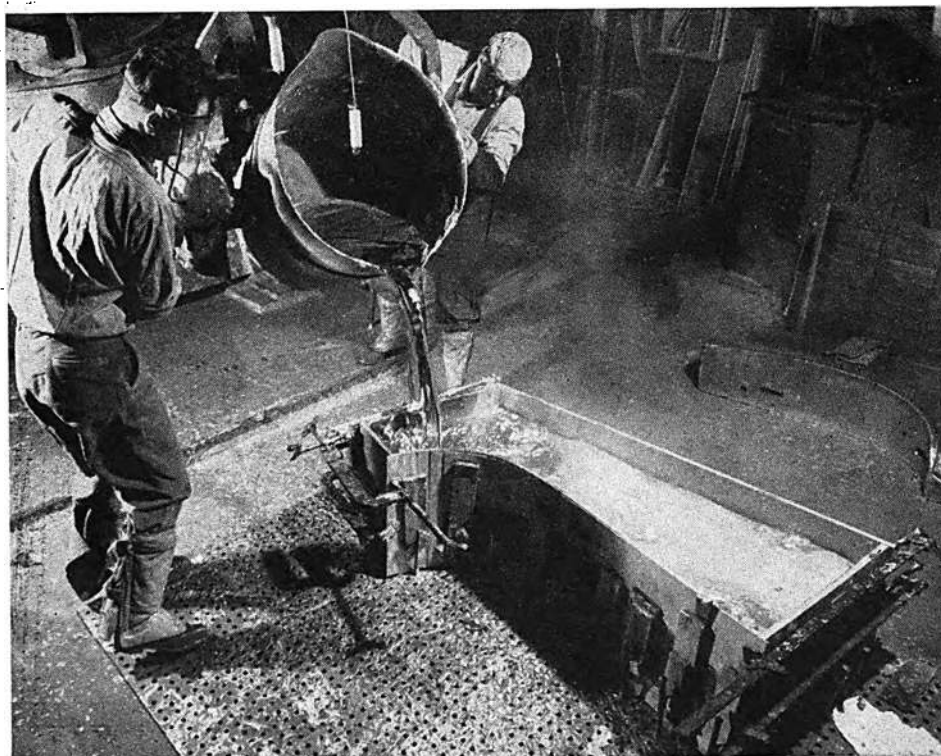


Photo by OWI

"We can perform wonders in production and in putting to effective use all our energy and efforts."

A Bengali (India) weekly newspaper is using hand-made paper manufactured in its own plant, says a British trade paper.

Foreign Trade After the War

By AUGUST MAFFRY and HAL B. LARY, *International Economics and Statistics Unit, Bureau of Foreign and Domestic Commerce*

IN NO SECTOR of the economy is the post-war outlook more puzzling than in foreign trade. At the moment, shipments to foreign countries are enormous. But what of the future? What will foreign countries want to buy from the United States after the war? How much will we import from other countries? Under what conditions will trade be conducted?

These are questions to which the foreign-trading community is seeking answers. Yet the world presents a picture of confusion. Economic life has all but ceased in some parts and has taken and will take severe blows in others. Uncertainty prevails regarding the future value of currencies. And the shape of future commercial policies at home and abroad fits into no recognizable pattern.

The United States Government, in cooperation with the other United Nations, is striving to remove some of these uncertainties and to aid in reconstructing the broad framework of international trade. But the ultimate success of these efforts will depend chiefly on the actions of the individual businessman in this country and in other countries. It is important, therefore, that those interested in foreign trade, both in business and in Government, should begin to establish their objectives and to study the conditions necessary for achieving them.

The Goal: Larger, Freer Trade

The aims of American business in the field of foreign trade require little elaboration. Simply expressed, they are: (1) A volume of exports and imports more commensurate with our capacity than in recent pre-war years, and (2) less interference and disturbance through arbitrary trade restrictions and currency fluctuations.

The second of these objectives is closely related to the first. The extremes of trade restrictions and currency disorders experienced during the thirties resulted primarily from the disturbances and maladjustments of the great depression at the beginning of the decade. A larger and more stable trade would pro-

mote, and is the indispensable condition for, a freer trade.

If plans for achieving these objectives are to be laid, businessmen will want to think in concrete quantitative terms. The intention here is to provide a preliminary framework and method for gauging export and import potentialities and to appraise some of the major factors affecting them.

World Supply of Dollars

An appraisal of future export possibilities should perhaps logically begin with a survey of current and prospective conditions in our principal foreign markets. Certainly these conditions must be carefully studied, and the tentative results reached in this analysis must remain subject to modification in the light of future

developments in our major foreign-trade areas. But any approach primarily along such lines is bound to be inconclusive under present conditions and to lead straight to the question: How will foreigners pay for the goods? Where will they get the dollars?

Here is the key to the present approach to the problem. Let us first examine the factors determining the supply of dollars available to foreign countries for buying American goods and for other purposes. This is merely a practical application of the simple, but sometimes forgotten, truth that trade is a two-way affair, and that, if a country wishes to sell, it must also be willing to buy.

While stress is placed on our purchases from other countries as the necessary financial counterpart to exports, a large volume of imports is essential in a still

Highlights

This article is a condensation of a more detailed analysis issued under the same title, which may be obtained from the Department of Commerce in Washington, or any of its field offices. The study is not a forecast of how much the United States will import from foreign countries or of how much American exporters will sell abroad, but rather an indication of what post-war foreign trade may amount to under given assumptions.

The most important of these assumptions is that the domestic economy will function at capacity levels. If this goal is achieved, it may be calculated on the basis of past relationships that imports in the hypothetical post-war year of 1948 would total about \$6,300,000,000 in terms of 1942 import prices. Other payments to foreigners (for services and through the investment of American capital abroad) might be expected to aggregate some \$4,000,000,000 under the same conditions, and the total amount of dollars made available to foreign countries about \$10,000,000,000.

Unless the use of dollars by foreigners is substantially altered in the future from the past, exports might be expected to total around \$7,000,000,000 in the hypothetical post-war year of 1948 out of a total supply of dollars amounting to \$10,000,000,000. The actual volume of exports will depend in part, of course, on such important factors as economic conditions abroad and foreign commercial policies. But in the experience of recent years the chronic shortage of dollars, growing mainly out of the weakness of United States import demand, appears to have been the basic limitation on American exports. Given a more ample supply of dollars, exports should readily exceed any previous peacetime levels.

On the basis of an export total of \$7,000,000,000 the larger study "Foreign Trade After the War" offers a hypothetical distribution of exports by commodities. This distribution represents a statistical projection based on past relationships. It will be of interest to exporters chiefly as a set of compilations to be revised in the light of practical judgment.

"Foreign Trade After the War" is only a starting point for analyzing post-war possibilities. The underlying assumptions are set forth as clearly as possible to permit adjustment of the figures in accordance with individual ideas of post-war conditions. The need for additional facts and for further analysis must be met through the combined efforts of Government and business.

more fundamental sense. Many primary goods are indispensable to meet our requirements of industrial raw materials and foodstuffs, and domestic shortages are placing additional products on the list. Other goods more economically produced abroad than in this country contribute to the American standard of living and could do so in greater measure if our import barriers were lowered. Just as a high level of production is desirable chiefly as a means to a high level of consumption, so in the final analysis exports are important principally as a means of obtaining imports.

The present approach to the problem of future foreign markets does not imply that a relatively large and more regular supply of dollar payments to other countries would of itself ensure a satisfactory export position. The need for intelligent, active trade-promotion efforts by individual exporters will remain. The United States Government must also continue its endeavors, by means of trade agreements and otherwise, to free the channels of trade from the tariff and administrative impediments of the past.

Salient Recent Trends

But in the experience of the last pre-war decade the shortage of dollars—growing largely out of the exceptional severity of the decline in business activity in the United States during the great depression, the attendant weakness in our import demand, and the virtual cessation of new American invest-

ment abroad—constituted a basic limitation on United States exports. In the 1933-38 period the United States furnished only about 13 percent of total imports of foreign countries as compared with approximately 17 percent in 1929. That is to say, American exporters lost each year no less than \$750,000,000 of business that they might have had if we had maintained our predepression share of the imports of other countries.¹

During the war these conditions have, of course, been drastically altered by our increased need of foreign supplies and by the swift development of Lend-Lease and other reciprocal-aid measures. In the immediate post-war years both exports and imports will doubtless remain on a highly abnormal basis. But sooner or later, foreign trade must become self-sustaining. This change should be made not through a sudden curtailment of assistance and dropping of controls, as after the last war, but gradually. As the transition is effected, exports will again become subject to the ability of foreigners to command the necessary supply of dollars.

How Much Can We Import?

United States imports constitute by far the largest source of dollar exchange for

¹For a detailed account of the international transactions of the United States during the inter-war period, see "The United States in the World Economy," recently published by the Department of Commerce.

foreign countries. Hence, if post-war export markets are to be considered in concrete terms, it is first necessary to gain some idea of the possible future size of our imports. No one is in a position to make a forecast, but past experience may be drawn upon to indicate the potential volume under the most favorable conditions.

The volume of imports is affected by many factors, most of which cannot be reduced to quantitative terms. But the basic influence is clearly the level of business activity in the United States. The value of imports is high in times of domestic prosperity and low in times of domestic recession.

An earlier study by the Department of Commerce, "Markets After the War," set a challenging goal for American business in the domestic field. The Department estimated that the potential productive capacity of American labor and capital, under conditions of virtually full employment, would be about \$165,000,000,000 in 1946. This figure is in terms of the general level of prices prevailing in 1942. It was further estimated, on the basis of past experience, that capacity, or the potential gross national product, would rise at the rate of about 3 percent, or \$5,000,000,000, per year. Hence, by the hypothetical year 1948—perhaps a better year than 1946 for analyzing long-term foreign-trade prospects—the potential level of domestic economic activity would be around \$175,000,000,000—again in 1942 prices.²

The attainment of such a goal is unlikely, and everyone may form his own judgment as to how close to capacity American business will come. But the concept is useful in relation to import possibilities. Assuming that capacity output is maintained, how large a volume of imports can we expect?

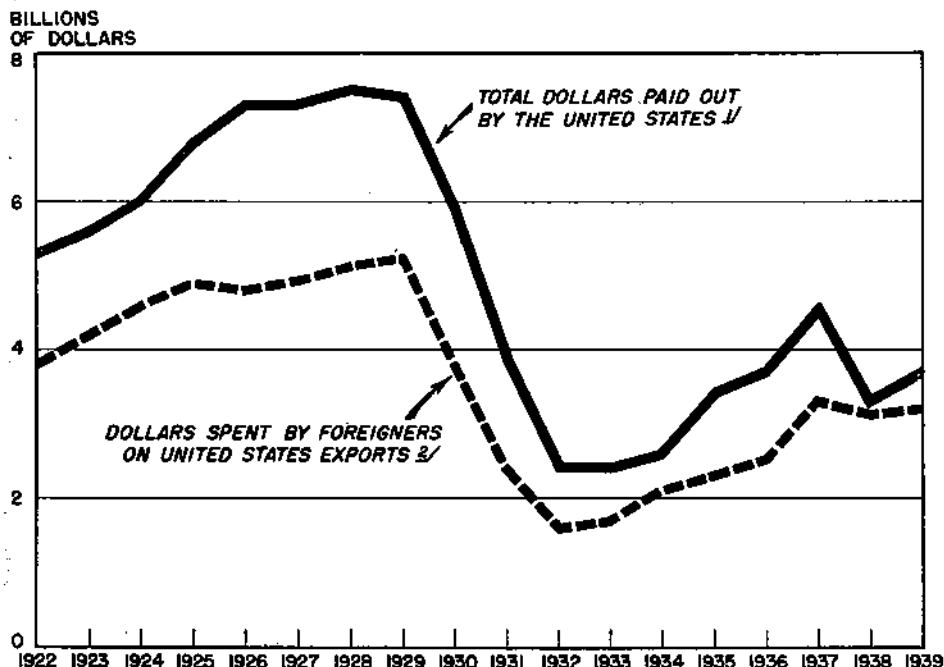
Industrial Production's Role

Throughout the inter-war period from 1919 to 1939, the physical volume of imports followed a path closely parallel to the index of industrial production. This is explained by the fact that more than 70 percent of all imports, by value, consist of materials for further fabrication. Another 8 or 9 percent is made up of fats and oils, and fuels and lubricants, and about 10 or 11 percent consists of foodstuffs. Finished consumers' goods other than foodstuffs represent less than 6 percent of total imports. These percentages relate to the years 1935 to 1937, but the distribution in other years was similar.

If relationships which have been strong in the past are projected into the future, a gross national product of \$175,000,000,000, with prices at 1942 levels, would probably mean a doubling of the physical volume of industrial output and of imports as compared with their 1935-39 levels. With the average for this 5-year period as 100, industrial production at full capacity in 1948 would

²Since much of the present analysis is based on "Markets After the War," that study should be consulted for a more adequate discussion of future possibilities in the domestic field.

DOLLARS SUPPLIED TO FOREIGN COUNTRIES AND U. S. EXPORTS



1/ TOTAL UNITED STATES PAYMENTS TO FOREIGN COUNTRIES FOR PURCHASE OF GOODS, SERVICES, AND LONG-TERM INVESTMENTS.

2/ IN ADDITION TO BUYING OUR EXPORTS, FOREIGNERS USE DOLLARS FOR PAYMENTS TO THE UNITED STATES ON SERVICE AND CAPITAL ACCOUNTS. AGGREGATE PAYMENTS TO THE UNITED STATES HAVE FREQUENTLY EXCEEDED, BUT RARELY FALLEN BELOW, THE AMOUNT OF DOLLARS SUPPLIED BY THIS COUNTRY. DIFFERENCES ARE SETTLED BY MOVEMENTS OF GOLD AND SHORT-TERM FUNDS.

be about 210 and imports would be about 200.

Whether these past relationships will actually hold true in post-war years is, of course, open to considerable question. The apparent connection between industrial production and the aggregate physical volume of imports is especially subject to change. We can identify some of the influences at work, although an attempt to measure their effects would be hazardous. Such adjustments are largely a matter of practical judgment rather than statistical technique.

Some factors will tend to lower the future physical volume of imports in relation to industrial production or other measures of domestic business activity. The absolute quantity of imports will undoubtedly be much higher than before the war. But the increase may not be as large as that in industrial production.

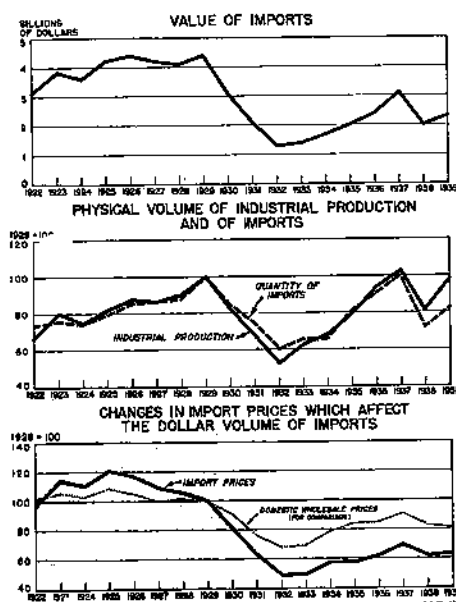
Already, before the war, domestic developments in the production of artificial silk were tending further to reduce imports of raw silk, which were valued at around \$400,000,000 annually in the late twenties and around \$100,000,000 in the late thirties. And the war itself has enormously stimulated domestic production of goods previously imported in whole or in part. The outstanding example is rubber, imports of which amounted to almost \$250,000,000 as recently as 1937. Imports of such items will not be entirely eliminated, of course, and may in some instances even exceed pre-war levels. But our purchases of these materials from abroad can scarcely be expected to keep pace with domestic output of the end-products into which they are incorporated.

Other Vital Factors

Other factors, however, may offset these trends toward lower imports. Among these, it is hoped, will be a continued vigorous prosecution of the trade-agreements program, with tariff concessions on our part opening the way for larger purchases of goods which could be imported with special advantage to American consumers. Perhaps even more important in its effects will be a greater dependence on foreign raw materials. Domestic resources of several essential materials are now threatened with depletion. Copper, lead, and zinc are among the resources so menaced, while the best grade iron ore is being rapidly exhausted and the adequacy of petroleum reserves is uncertain. Practical necessity as well as a due regard for this country's future strategic interests may well cause the United States to import a greater part of its requirements for such materials.

All of these potential shortages in domestic resources refer to minerals and metals. What about agricultural raw materials and foodstuffs? The "farm problem" has been with us for so many years that any inadequacy of domestic agricultural production may appear almost inconceivable, apart from exotic products procured by necessity from foreign sources. In time the capacity of American agriculture could doubtless

U. S. IMPORTS: DOLLAR VOLUME AND RELATED FACTORS



be expanded, if the demand is present, to a still greater volume than that attained during the war.

On the other hand, we know relatively little about eating habits under protracted conditions of full production and employment. The total food bill of the American people would undoubtedly be larger by several billions of dollars. If only a small part of the increase were spent on imports, the effects could be extremely important.

In brief, various factors will be at work, some tending to increase, others to decrease, the physical volume of imports in relation to domestic economic activity. These forces will be partly offsetting. It is not unrealistic, therefore, to project the future physical volume of imports on the basis of their past relationship to industrial production, although we may be sure that this relationship will undergo some modification.

What About Import Prices?

One of the most important unknown factors affecting the dollar volume of post-war imports is the future level of import prices. The increase in the value of imports will be greater or less than the assumed increase in physical volume depending on whether prices of imports are greater or less than before the war. If prices should average about the same as in the 1935-39 period, an increase of 100 percent in physical volume would mean a similar increase in the aggregate dollar volume of imports. That is to say, imports in 1948 would be around \$4,800,000,000 as compared with the 1935-39 average of \$2,400,000,000. Import prices, however, remained very depressed in the late thirties. If they should recover to the 1929 level, when they were about 60 percent higher than the 1935-39 average, the value of imports would range around \$7,500,000,000 in 1948 at the assumed level of industrial production.

This wide range of possibilities illustrates the nature of some of the assump-

tions necessary to the present analysis. It also brings into sharp focus one of the points on which everyone will have to formulate his own opinion—the future level of import prices. For present purposes it will be assumed that import prices, on the average, will be the same as in 1942, or about 32 percent above the 1935-39 levels, but still 18 percent below those prevailing in 1929. These average prices, together with a rise of 100 percent in physical volume, would give an aggregate import value of close to \$6,300,000,000.

Other Sources of Dollars

In addition to payments for merchandise imports, the United States supplies substantial amounts of dollar exchange through other channels. Among these are services and certain other current transactions. Their past importance is indicated by the following estimates for 2 peak years, 1929 and 1937:

(In millions of dollars)		
Item	1929	1937
Shipping and freight ¹	509	366
Travel expenditures	483	348
Personal remittances and institutional contributions	394	203
Interest and dividends	330	295
Silver imports	84	97
Other current items ²	182	127
Total	1,982	1,436

¹ Includes passenger-fare payments to foreign vessels and expenditures by United States vessels in foreign ports.

² Includes United States Government expenditures and miscellaneous services and adjustments.

These figures, with minor exceptions, are gross amounts. Foreigners also make substantial payments to the United States for similar purposes, but the gross figures are pertinent to a consideration of the aggregate volume of dollars made available by the United States.

Over the inter-war period, out-payments for services and miscellaneous current transactions stood in a fairly definite relationship to the gross national product. Projection of this relationship into the future, although a rather hazardous venture, would indicate, under peak business conditions, gross payments to foreigners for services of about \$3,400,000,000 in 1948. This figure may be too high and may be discounted more or less, depending on one's guess with respect to the size of foreign travel, shipping, and other service outlays in the future. As it stands, the figure is about 1.9 percent of a hypothetical gross national product of \$175,000,000,000, compared with a ratio of 2.0 percent in 1929.

Question of Investment

Another potentially important but much more unpredictable source of dollars lies in the investment of American capital abroad. The outflow of American capital during the inter-war period behaved in a highly erratic manner. It rose irregularly to a peak of close to \$2,000,000,000 (on an annual basis) in 1927-28, then declined, and ceased almost entirely during and after the great depression.

(Continued on p. 40)

IMPORTS

Make Total War Possible

By WILLIAM Y. ELLIOTT, *Director, Division of Stockpiling and Transportation, War Production Board*

WITH THE UNITED STATES now nearing the height of its capacity for war production, many citizens are content to see our efforts concentrated for a time on current problems of winning the war, while others are becoming more anxious for evidences of definite post-war planning. But few of the thousands now engaged in details of our production battle realize that the part our Nation now plays in this total war inevitably grooms us for a new role in the post-war world. We shall emerge a Nation convinced of our dependence on world trade, although we entered as a nation which had complacently assumed that we were almost self-sufficient in raw materials—a true “have” among the nations when “have nots” were the great majority.

Total war—the complete mobilization of all available materials and energy for the destruction of the enemy—found the United States not economically self-sufficient but dependent upon many other nations for more than 200 critical ma-

EDITOR'S NOTE

Article 2 of Executive Order 9380, dated September 25, 1943, provides as follows:

The Office of Lend-Lease Administration, the Office of Foreign Relief Rehabilitation Operations, the Office of Economic Warfare (together with the corporations, agencies, and functions transferred thereto by Executive Order No. 9361 of July 15, 1943, the Office of Foreign Economic Coordination, and their respective functions, powers, and duties are transferred to and consolidated in the Foreign Economic Administration.

terials. It is natural to expect, therefore, that lessons which we are learning in war time can provide a clear pattern for post-war activities in world trade.

And it is unlikely that the scope of our present import program will be overlooked by this country when we consider our future. Our own raw materials are being depleted, and we have seen many

a great industrial nation forced to seek beyond its borders for materials vital to its safety and to the maintenance of its industrial economy.

Lack Many Materials

Although Americans before the war were not generally world-trade conscious, we are now buying every possible scrap of raw material we need from all corners of the earth. We know now that total war really means a world at war, even though all the political subdivisions of the world may not be combatants.

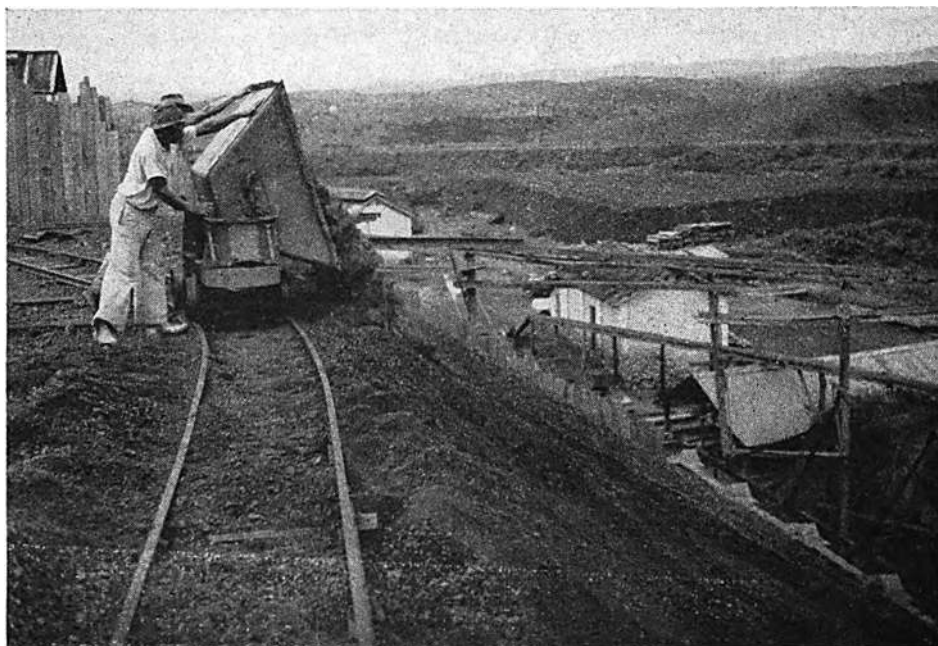
It is true that, among the United Nations, we enjoy a most fortunate position in regard to natural resources. Yet we lack materials in such quantity and variety that over 200 items now stand on our shipping list of imports as essential for the conduct of our war production program. Without them our factories would gradually close down and our civilian economy be crippled. Substitutes are theoretically available for some of them. *Practically*, substitutes would draw on resources and capacities now strained to the limit and would involve very drastic shifts in production technique.

From Every Region

Some of these imported materials are little thought of in terms of finished goods. We know that without steel we would be vulnerable indeed, but we seldom stop to realize that manganese, chrome, and a dozen other alloying metals make our steel suitable for war implements. So we have gathered manganese from India and the Gold Coast of Africa, chrome from Southern Rhodesia, Turkey, Cuba, New Caledonia, India, and the Soviet Union. Domestic supplies of aluminum are augmented by bauxite from the Guianas and Brazil; precious tons of copper and copper ore are obtained from Chile, the Belgian Congo, and Rhodesia.

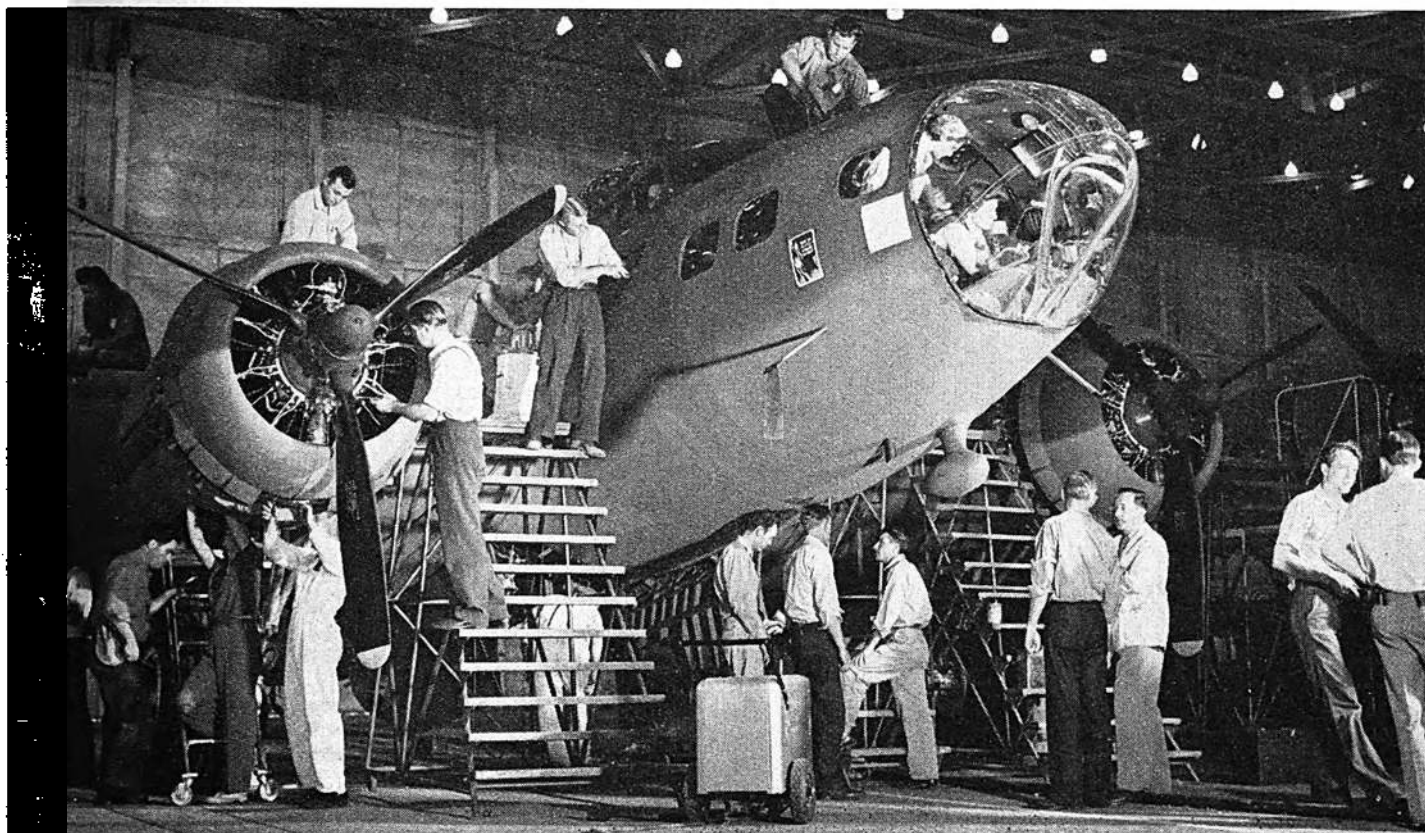
Tin, tungsten, and zinc ores come from Bolivia, China, Argentina, Australia, and Newfoundland. The Navy depends upon mahogany from Central America and the African Gold Coast for its small-boat manufacture, and both the Navy and the Merchant Marine are using life rafts made of light balsa wood, most of which comes from Ecuador.

We are *searching the world* for asbestos, fibers, sisal, cattle hides, quinine, mica, and quartz crystals.



Coordinator of Inter-American Affairs

A tranquil scene among the rolling hills of far-off Brazil—but a scene directly related to the roaring, ceaseless war production of the United States, because the ore that is here being dumped into a loading chute is *manganese*.



Into this bomber have gone materials from many distant regions of the earth.

Photo from OWI

A War of Supply

This is a war of supply—and the side which has or can obtain most of some strategic items gains the advantage. We must even increase our supplies of materials in which we are richest. For example, we import petroleum and petroleum products from the Netherlands West Indies, Venezuela, and other points in the Caribbean.

There is *no end* to the demands of war economy, especially when we support the production program of our Allies. A considerable part of these imports go through ordinary trade channels for which the War Production Board is completely responsible. Public purchases abroad are handled by the Office of Economic Warfare, the Rubber Development Corporation, and the Commodity Credit Corporation.

In addition to providing the United States with materials badly needed for the war, our import program serves two other very necessary purposes—the supply of raw materials to other United Nations and the removal of potential supplies from the grasp of the Axis.

Joint Action Imperative

It was apparent at the outset that, with the enemy in possession of so many raw-materials sources, the United Nations could win the battle of supply only through joint action. Cooperative plans were therefore entrusted to the Combined Raw Materials Board, composed of representatives from the United States, the United Kingdom, and Canada. Others of

the United Nations were brought in for consultation as their needs and ours required. After a detailed study, this board adopted the following program:

1. Agreements between governments of the United Nations to regulate the supply, distribution, and use of critical and strategic materials.

2. Cooperative purchasing and supply arrangements to prevent useless competition where both the British and we drew on the same markets.

3. Daily discussions concerning current production problems so that needed changes can be handled immediately. These discussions are usually undertaken in conjunction with the Combined Resources and Production Board.

Balancing Supply and Demand

Once the organization had been established, the principal job of the Combined Raw Materials Board was to balance supply and demand through allocations and coordinated purchasing. The Shipping Adjustment Board, with members from the same three countries, undertook shipping adjustments as between the systems of shipping under our own and under British control, to utilize available shipping to the utmost. Production of finished items was moved nearer the supplies of raw materials, and other more efficient combinations of United Nations' men, materials, and ships were worked out to produce and move supplies for our fighting fronts around the world.

The Combined Food Board applied the same approach to the supplies, produc-

tion, and allocation of foods, reaching out over the whole world to add to supply.

To Frustrate the Axis

Preclusive buying, though it accounts for only a small portion of our purchases abroad, is also a part of our current import program and one of the weapons we are employing against the Axis. It is wielded not by soldiers, sailors and marines, but by civilian representatives of various Government agencies coordinated by the Office of Economic Warfare with the guidance of the State Department, who jointly conduct this buying program.

Our emphasis on imports has been dictated by the global strategy of a struggle which has been described as a fight between the center and the circumference of a circle. Axis strategy built up enormous resources by expansion from a strong nucleus fed by a carefully planned and strictly controlled war economy. Our strategy, on the other hand, is to bring all possible resources to bear against the Axis stronghold, to encircle the enemy completely and leave him no loopholes through which he may receive supplies.

We aim to *starve enemy production lines* and force upon them substitution after substitution until there will appear shortages of materials for which there are no substitutes.

Preclusive buying as a weapon of economic warfare is combined with other economic and military measures to wear down Axis resistance. It is most im-

portant in countries which are close to both sides of the conflict. For example, certain materials have been bought in Portugal and Spain at higher prices than their usual value in order to keep them out of the hands of our enemies. Turkey has been another important battleground of economic warfare in which our State Department combined with the British to block Germany's access to chrome.

Careful, Exact Procedure

After the broad outlines of our war production program have been established by the Armed Services, Lend-Lease, and the War Production Board, with allowances for essential civilian needs through the Office of Civilian Requirements and for food imports through the Food Administrator, our needs are listed in terms of raw materials. This list of requirements is then balanced against the known supplies available in this country, after which those natural resources and other materials which must be supplemented by imports are determined. The planning and execution of our war import program then becomes the responsibility of many Government agencies whose efforts are correlated by the Division of Stockpiling and Transportation in the War Production Board, advised by an interagency imports priorities committee.

Decisions must first be made, accurately and speedily, as to just how much material we need to buy abroad and in what order. Supplies for immediate consumption must be considered along with the building of stockpiles to take care of increased demand and the hazards of war shipping which cannot always maintain a regular schedule.

Various Industry Branches of the War Production Board and the Food Administrator assemble material requests from claimant agents and present them to the Interdepartmental Shipping Priorities Advisory Committee on which are represented all those agencies which have interests in imports.

Canada, too, comes in for a large part of its imports through this committee, since Canada has little shipping of its own left. This committee considers the import requests as to their degree of essentiality and the shipping space available.

Threefold Purpose

Working from the WPB import quota lists forwarded to it by the Division of Stockpiling and Transportation, the Office of Economic Warfare operates under purchase directives from the same source, to procure and forward for shipment all publicly purchased imports except rubber, which is handled by the Rubber Reserve Co., upon arrival. Operations of the O. E. W. under these directives are consistent with the threefold purpose on which our import program is based: first, making possible the maximum United States war production; second, getting through preclusive buying (on their own responsibility) raw materials which Axis factories desper-

ately need now, or may need in the future; third, increasing war supplies of our Allies and deepening our economic ties with nations whose friendship is important to future peace, in accordance with State Department policy.

Varied Measures, Global Scope

Transactions arranged by O. E. W. are financed by the Reconstruction Finance Corporation. In the case of agricultural products, the Commodity Credit Corporation acts on its own initiative, and the Rubber Development Corporation acts upon directives from the office of the Rubber Director. All overseas agents, for financial arrangements, clear through our State Department.

Because of the necessity for developing new sources of supply, complicated financial arrangements must often be undertaken, loading facilities must be installed, harbors improved, mines opened, factories built, and agricultural ventures initiated.

The desirability of pressing the use of resources available to us from abroad must be carefully weighed against the development of our resources here at home and the effect upon other resources, including manpower.

Shipping: Vital Factor

When materials have thus been gathered from all parts of the world, the job of getting them into allied war factories has just begun. While air transport has helped in the movement of certain ex-

tremely strategic materials in very short supply, the burden of moving raw materials still falls upon our shipping resources which are directed by the War Shipping Administration. This agency is furnished by the Stockpiling and Transportation Division with directives covering priorities for the order of shipment and quotas for the amounts which may be obtained from individual countries.

Uncertainties about our raw-materials imports spring mainly from shipping problems. Axis recognition of this fact is seen in the deadly emphasis placed on submarine warfare. And added to the dangers of sinkings are many less obvious but serious complications. For example, every available inch of shipping space on many incoming ships can be devoted only to essential requirements—yet other ships which take from our shores troops and supplies may of necessity return with no cargo or a load of less essential commodities when they do not pass directly by areas where our most important materials are located.

Private Importers' Role

Although public purchases account for a large percentage of our acquisition of critical materials abroad, a substantial portion of our imports is handled by private importers. The principal instrument for control of imports is War Production Board General Imports Order M-63 which was issued December 28, 1941. Through the medium of this Order and its amendments the Board ex-

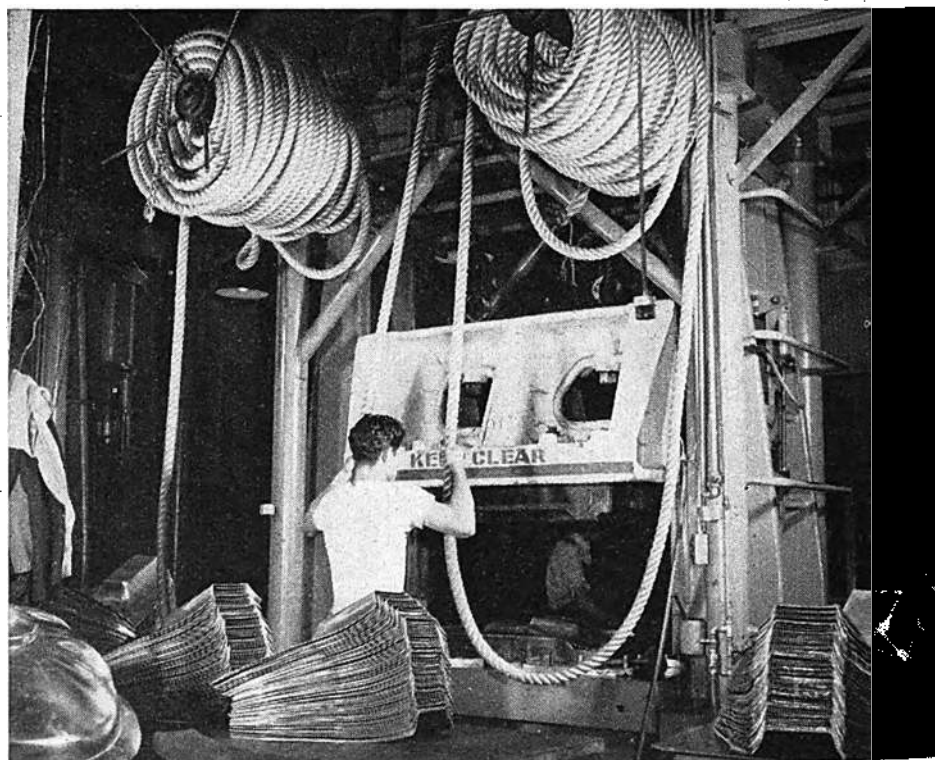


Photo from OWI

To make such vitally essential rope as we see here being used in a great U. S. factory, we now feel the acute need of the commodity shown in the facing picture (an import source now lost to us through Jap incursions)—

exercises a complete control over all imports by private importers through a system of issuance of permits, administered by the Division of Stockpiling and Transportation.

Permits for nonessential commodities are refused when they compete for shipping space badly needed for critical materials. Permits for import of essential items are issued only after assurance that these will be allocated to war production after entering the country. The Divisions of the War Production Board and of the Food Administrator determine this allocation within the quotas set.

Controls set up by this Order prevent ruinous competitive bidding by private interests on commodities being purchased abroad by the various Government purchasing agents. The system of permits assures an even flow of imports to fit in with the orderly scheduling of shipments as arranged by the Interdepartmental Shipping Priorities Advisory Committee.

The administration of the Order gives to the Government large control over shipping space for imports in the vessels of allied and neutral countries, and insures that cargo space is used for essential materials rather than nonessentials that would pay higher freight rates.

Stockpiling Unit's Work

For the results of this carefully planned and executed import program, the Division of Stockpiling and Transportation of WPB assumes particular responsibility. It is not only the principal planning unit with respect to details of all parts of the

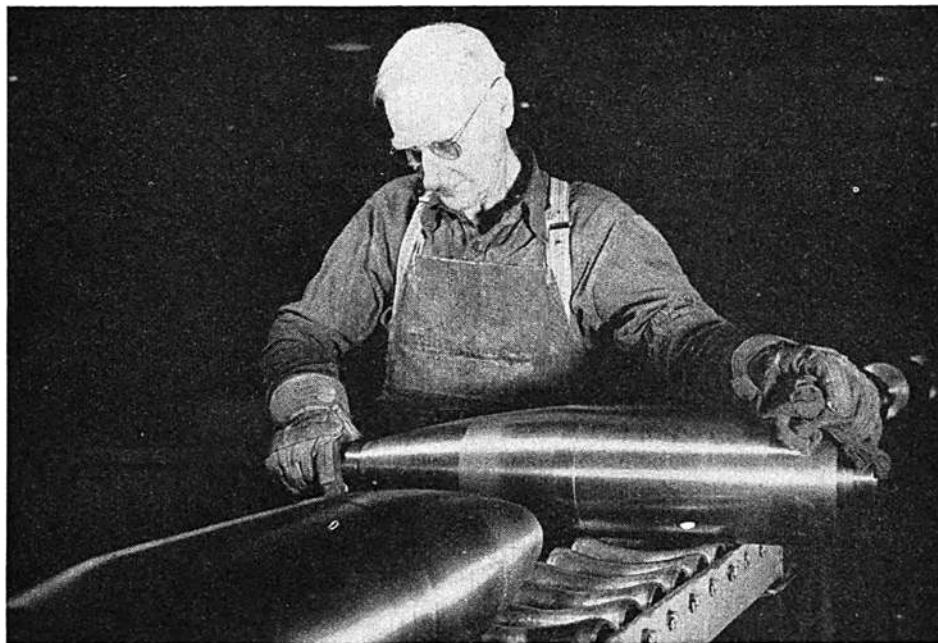


Photo from OWI

Granddad handles the shells with scrupulous exactitude as he inspects the thread cut in the nose. Wise in his work, he knows that these instruments of war contain numerous materials from remote foreign areas.

program's operation but also the center for day-to-day reporting on the content of our stockpiles. These in turn indicate how well we are maintaining the delicate balance of our world trade and the course our future trading must take.

Over 92 percent of our offshore imports in the first 6 months of 1943 were of pri-

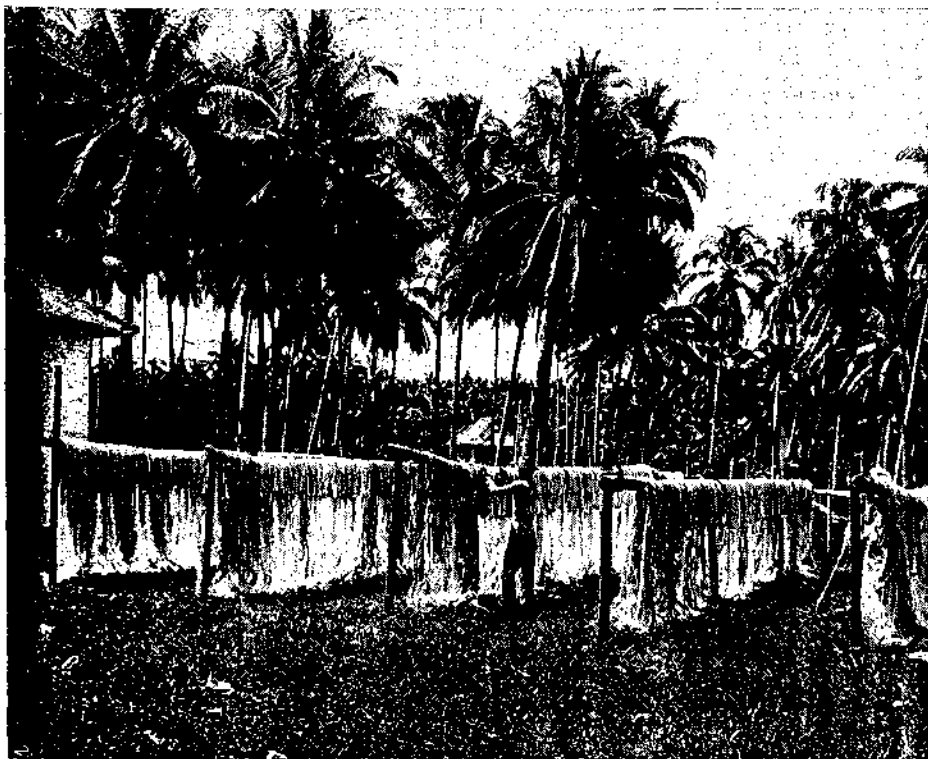
ority commodities whose arrival had been planned because of their inclusion on either the Emergency or Supplementary Shipping Schedules which are prepared by the Division of Stockpiling and Transportation as patterns for the conduct of our buying outside the United States.

An examination of the total non-quota tonnages reported for the first half of this year reveals that shipments from the British Isles, the Soviet Union, and the Iberian Peninsula account for the preponderance of all shipping not on the priority list. Nonpriority cargo is carried from these areas because returning shipping is plentiful and critical cargoes are not available. If we discount the amount of nonpriority cargo from these areas, it will be shown that approximately 99 percent of our offshore imports for the first half of 1943 were priority commodities.

Priority control is now complete. The record of the imports program for the first half of 1943 is reassuring evidence of the effectiveness of our present methods as administered by the WPB Division of Stockpiling and Transportation and co-operating agencies.

Flexible and Fair

As shipping in a given area becomes more plentiful, the program of imports is easily and flexibly expanded to permit less essential commodities to be added to the list or to move in increased volume. The machinery provides for a fair hearing of all the interests involved, through their divisional representatives, and an evaluation by an expert staff, working in the closest cooperation with the War Shipping Administration, and, in the case of rail and inland-waterway movements from Canada and Mexico, with the Office of Defense Transportation.



Drying manila hemp (world's best material for rope making) in Zamboanga, Mindanao Island, in the Philippines. The Japanese now have this great manila-producing region, and, to supply today our great and pressing requirements, we are turning largely to substitutes—products which, like manila, are mainly from foreign lands.

By SEYMOUR E. HARRIS, *Chief Consultant, Office of Price Administration*

PPRICE CONTROL is a vital economic problem of common interest to the Americas. Inflationary forces have been at work on a hemispheric scale. This is reflected in the sharp wartime rise of living costs in the other American republics, the same as in the United States, particularly during the past 18 months of shipping shortage and the consequent decline in imported supplies from the United States. Rising living costs in individual countries are induced by the same basic wartime influences—tremendous war spending, disruption of normal trade, shortage of shipping, concentration of industry upon arms production, shift of manpower into the armed forces and arms factories, and loss of raw-material supply sources, such as the Far East for rubber and tin.

The battle against rising prices, therefore, transcends national interest to become a problem international in scope. In the Western Hemisphere, it is in truth an inter-American problem. The inter-American aspects of the problem have been recognized officially, both in the United States and in the other Americas. At the Rio de Janeiro Conference of American Foreign Ministers in January 1942, the basis was laid for hemisphere cooperation in price control. In the cooperative spirit of that conference, the United States has extended, insofar as possible, the protection of its own price ceilings to goods moving into export channels for the other Americas. Cooperation in price control also has been manifest in the assignment of Office of Price Administration representatives to aid some of the other Americas in working out price-control mechanisms and integrating these mechanisms with United States price controls.

Serious Problems Revealed

In the capacity of Director of Export and Import Price Control, Office of Price Administration, I recently made a trip to South America. The main objectives of this visit were to see what could be done to integrate more effectively our price policies with those of the other Americas and to be available for consultation on price-control measures. I visited Brazil, Chile, Bolivia, Peru, and Colombia. In these countries I found keen interest in anti-inflationary measures and in proposals for moderating the domestic rise in prices of goods imported from the United States.

Before I began this trip, the Office of Price Administration made a study of prices of United States products in South America. The study revealed serious problems in the pricing of United States products in the other Americas. In general, the rise in prices to the ultimate consumer was excessive when compared with United States f. o. b. port of exit or South American prices c. i. f. port of entry. This discrepancy obviously was due in large measure to speculation for higher prices in scarce imported goods.

Price Control in South America

It Has a Vital Bearing on Trade Movements and Prospects

To Halt Speculation

The South American countries, I observed, are very much interested in stopping the speculation which is rampant in the area of imported commodities. They have taken measures to deal with these problems. In Brazil, for example, the Government, under the Ministry of Economic Mobilization, has taken very strong measures to control the number of middlemen, determine the resale prices of the importers, and eliminate excessive demands for imported commodities.

To assure the sale of imported commodities at reasonable prices to the final consumer, it is necessary to fix prices at the point of embarkation and at the port of entry, and to fix the resale price by the importers and any other distributors who are involved. Where—as has happened in at least one country—the one who purchases presumably as a consumer holds private auction sales at highly inflated prices, it is desirable that these sales be prohibited. Where a consumer purchases, he should be required to consume and not to act as a middleman.

Unless this control is carried through at every stage of distribution, some middlemen will make large profits. For example, the refrigerator that is sent to South America may cost \$150 at the port of entry. But if only one-quarter as many refrigerators are sent as are demanded at a reasonable price to the ultimate consumer of, say, \$200, the price will rise greatly in the absence of a thoroughgoing control. In a free market under present supply-and-demand conditions the price may well rise to \$500. It is a job of the government to assure a price of \$200 and not to allow an importer or distributor to absorb the extra \$300.

In each country a program has been suggested—and the governments have more or less approved—to eliminate unnecessary middlemen, to control the prices of resale at every stage, and to eliminate demand which is based merely on capacity to pay and not demand which is based on urgency of need.

Price Rises Large

There can be little doubt about the rise of prices in Latin America. These

risks have been large. As a general rule, the increases have occurred at a more rapid rate than in the United States. This is rather surprising in view of the fact that in the United States we are spending at the rate of \$100,000,000,000 annually for war, whereas in the South American countries war expenditures have been relatively small. The more rapid rise of prices in these countries has become a matter of concern to the governments involved—all are beginning to take strong measures to deal with the situation.

Unfortunately, many of these countries lack the experienced personnel to administer thoroughgoing price-control programs. They are, therefore, inclined to rely rather heavily on decrees and not sufficiently on administration and enforcement. These governments are aware of the saving to consumers and to their own budgets that will result from effective price control. They are, therefore, expanding their program and personnel in an attempt to bring about through price control a better distribution of scarce supplies.

Solution Not Easy

In some cases these governments have made mistakes in the area of price control, just as we admittedly have. They have attempted to write sweeping laws without adequate enforcement. In some cases they have encountered difficulties resulting from division of responsibility, conflict of interest between ministries, and an unwillingness on the part of the legislature to grant adequate authority to the executive. Yet, despite these difficulties, the countries of South America are making progress. Certainly the record of the United States is not so unblemished in the area of price control as to warrant any criticism of the price programs of these governments.

The general picture of inflation is similar in each country. There is an excess of exports, which is explained by insistent war demands, by favorable selling agreements for important crops, and by restrictions on exports by selling countries, particularly by the United Kingdom and the United States. Although in many cases the United States has been able to fill the gap where usual sources of supply could not be tapped, nevertheless

less the excess of exports of Latin American countries has continued to be large.

This excess, plus the inflow of capital, has flooded Latin American countries with dollars and with sterling. These dollars in turn are converted into local currency. An exporter who sells copper obtains dollars. He is required to turn over a certain percentage of his dollars to the central exchange authorities. In return he receives pesos. These pesos are represented by a deposit of the banks. The banks in turn obtain cash with the central bank for the dollars turned over by the exporter. The central bank now holds more dollars, and against this asset it has a liability: namely, deposits belonging to the banks.

Under these circumstances, both the commercial banks and the central bank have increased their cash as much as their liabilities. Since ordinarily their liabilities are several times the amount of their cash, both the commercial and the central banks are in a position to expand their liabilities—that is, create more money. As the recipients of income in the prosperous export industry now spend their money, they increase demand and output in other industries, and these industries in turn are favored by new loans which are made possible by the original inflow of dollars. This expansion of money, then, is accompanied by a larger expansion of income and output and further increases in the supply of money.

Capital Movements

Ordinarily an importation of capital results in an increase of imports for the borrowing country and a reduction of exports. In this manner, the borrowing country obtains its capital by obtaining more goods. In the present war, however, the inflow of capital brings about, for the most part, not an expansion of imports and a reduction of exports for the borrowing country, but rather an inflow of dollars. In other words, a large part of the capital that is exported to these countries is used to pay for domestic resources and labor in the South American countries and not to purchase machinery, raw materials, engineering services, and other requirements from the United States.

Salient Features of Situation

Another peculiarity of the present situation is that the more rapid rise of prices in Latin American countries is not having the effect of discouraging exports and encouraging imports for the country that suffers from the more rapid rise of prices. This failure of exports to decline and of imports to be encouraged is explained by the unimportant role played by price movements in wartime. In view of the insistent demand for Latin American products, exports are determined by considerations of political and economic warfare and not by price considerations primarily. The United States pays whatever is necessary for essential supplies. And, despite unusual demand and higher incomes in South America and relatively low prices in the United States, these countries are unable to purchase

additional supplies as they would have been able to do in more normal times. What goes abroad from the United States is determined by allocations and available transportation and only to a small degree by price movements.

Increased wages do not contribute as much to inflation in Latin America as in the United States. First, wages there have not risen as much as in the United States. Second, there has not been the large rise of employment that has been experienced here. It should be observed, however, that because wages in South America follow the rise of prices—and generally with considerable lag and frequently with smaller rises—the increase of prices brings serious distortions in the distribution of available supplies of goods.

Governmental Participation

In South American countries, the governments are now playing a larger part

in the economic life of the communities. Even if this increased participation did not involve deficit financing, the effects on prices would still be serious. This follows both because there is very little unemployment in these countries, and, therefore, any additional demand is likely to bring about higher prices, and because the governments rely heavily on indirect taxes. The more they spend, the greater the burden of taxes on commodities. Therefore, even with balanced budgets, prices rise with increased government spending.

In many cases the increased participation of the government makes it more difficult to obtain supplies of strategic materials, since the government competes for available transportation, labor, and other economic factors. On the other hand, the government, in this manner, also builds roads, irrigates farms, and performs other tasks that may be considered part of the general program

(Continued on p. 42)



Typical large retail store in Buenos Aires, Argentina. The prices being charged today in such establishments as this form one significant phase of the big complex price problem in "the other Americas."

New Basic Guide for Foreign Traders

(Advertising Experts Cooperate to Provide
Important Budgetary Know-How on Reaching
Vast Post-War Markets in Latin America)

By CORRIE CLOYES, *Division of Commercial and Economic Information, Bureau of Foreign and Domestic Commerce*

INTEREST GROWS DAILY in foreign trade. United States businessmen, having gained their second wind in the race to produce war goods, are viewing their expanded plant capacities in terms of global markets after the peace. Even the manufacturers of strictly civilian products have caught the spirit of looking beyond our shores in their plans for the post-war period.

This mounting interest is not sectional. It can't be measured by size or types of establishments. It is flourishing from Maine to California, from Idaho to Georgia, from the Canadian to the Mexican border. And it is being fanned by small, big, and medium-sized business.

Demand for Data and Analyses

As the businessman's representative in Government, the Department of Commerce has had continual reminders of the rise in international-mindedness on the part of private enterprise. Its Field Offices report an ever-increasing number of requests for basic information on exporting. Its Bureau of Foreign and Domestic Commerce is constantly counselling business—associations, large industries, small manufacturers, advertising agencies—on the subject of foreign trade.

Industrial, commodity, and international specialists and commercial experts are not only supplying data from the Bureau's vast storehouse of facts and statistics but they are analyzing and interpreting the material as it applies to specific needs.

Eyes on Foreign Markets

Typical of such cases is a manufacturer of heavy machinery. Considered small in his particular field, his business has grown to 10 times its normal size through war work. Like hundreds of his colleagues, he has no desire nor intention

to slip back to his pre-war volume once he has made his exit in his wartime role. He expects, and is willing to accept, a degree of curtailment—but he wants to halt the downward trend long before former levels are reached.

To do this, he eyes with lively desire foreign markets and particularly those in Latin American countries.

With the length of the war an unknown factor, this manufacturer has arrived at the point where his war production procedures are sufficiently jelled to permit advance planning. He is already surveying possible markets for his peacetime operations.

Advertising: a "Must"

In this and in the majority of similar cases, an early consideration is advertising. American businessmen, who have long since learned the necessity of domestic advertising in stimulating a demand for their products, view it as a must in seeking untapped markets.

But many of them have little or no knowledge of the intricacies of export

advertising. As would be expected, they generally turn to the Office of the Coordinator of Inter-American Affairs or the Department of Commerce.

For security reasons, however, certain important information is unobtainable from governmental sources. And among the data necessary to withhold, so far as the Government is concerned, is media. As reported several months ago in this magazine, the Coordinator's Office and the Department have referred all such inquiries to the following export associations:

Machinery and Metals Export Association, 330 West Forty-second Street, New York, F. J. Muller, secretary, for information on trade papers in the other Americas.

The Association of International Publishers Representatives, 19 West Forty-fourth Street, New York, M. D. Bromberg, secretary, on Latin American newspapers and general magazines.

And the Association of Export Advertising Agencies, 2 West Forty-sixth Street, New York, A. A. Kron, secretary, on Latin American markets.

But, beyond media, persons inexperienced in the field of Latin American advertising have been particularly needful

TABLE 1.—Resume of Cost and Coverage of Comprehensive Campaign in Latin American Newspapers (Based on Total Space of 1,560 Inches)

Country	Population	Number of papers	Number of cities	Number of circulation	Cost, in U. S. dollars
South America:					
Argentina.....	12,956,000	25	13	1,906,980	\$85,715.67
Bolivia.....	3,282,736	8	4	76,400	4,212.00
Brazil.....	44,116,000	23	9	840,000	29,264.48
Chile.....	5,044,446	9	4	355,300	9,303.84
Colombia.....	8,702,000	15	8	189,750	12,290.45
Ecuador.....	2,011,072	6	2	98,800	3,600.60
Paraguay.....	1,014,778	1	1	16,000	5,513.90
Peru.....	8,000,000	7	4	162,000	5,860.16
Uruguay.....	2,008,331	8	1	373,380	10,157.94
Venezuela.....	3,683,327	9	5	146,900	9,187.79
Central America:					
Costa Rica.....	639,187	2	1	20,000	807.66
Guatemala.....	3,284,269	4	1	28,000	2,184.06
Honduras.....	962,700	4	2	19,500	2,042.04
Nicaragua.....	1,138,600	2	1	8,500	734.14
Panama.....	661,300	1	3	62,500	2,730.00
Salvador.....	1,787,830	6	3	30,000	2,734.65
Mexico and Caribbean:					
Mexico.....	19,470,094	26	18	609,422	16,013.64
Cuba.....	4,252,959	12	5	266,000	15,054.00
Dominican Republic.....	1,654,988	3	2	27,000	1,270.20
Total.....	125,650,627	171	87	4,772,707	193,680.12

NOTE.—Puerto Rico is not included in this plan, as the Office of the Coordinator of Inter-American Affairs does not actively function in that territory. Complete information on publications and rates may, however, be obtained from any of the contributing agencies.

TABLE 2.—Resume of Cost and Coverage of Comprehensive Campaign in Magazines in Latin America (Based on Total Space of 12 Full Pages in Monthlies and 26 Pages in Weeklies)

Country	Population	Number of magazines	Circulation	Cost, in U. S. dollars
South America:				
Argentina.....	12,920,000	15	1,703,302	\$46,211.21
Bolivia.....	3,282,736	1	4,500	216.00
Brazil.....	44,116,000	4	218,000	8,121.50
Chile.....	5,044,446	4	202,000	5,061.52
Colombia.....	8,702,000	4	68,850	3,974.16
Ecuador.....	3,011,072	2	11,000	497.00
Paraguay.....	1,014,773	(1)		
Peru.....	8,000,000	(1)		
Uruguay.....	2,093,331	3	98,770	3,387.58
Venezuela.....	3,583,327	3	67,000	4,872.84
Central America:				
Costa Rica.....	639,197			
Guatemala.....	3,284,299			
Honduras.....	902,700			
Nicaragua.....	1,133,500	1	3,500	225.98
Panama.....	661,300			
Salvador.....	1,787,930			
Mexico and Caribbean:				
Mexico.....	19,470,094	11	394,200	15,647.25
Cuba.....	4,252,959	7	185,701	16,296.00
Dominican Republic.....	1,654,993	1	7,000	624.00
Total.....	125,650,627	56	2,964,479	105,734.95
U. S. export:				
Consumer.....		8	1,203,000	36,252.00
Trade—The export trade journals published in the United States and circulating abroad are of paramount importance in covering importers, distributors, and dealers in all types of trades and industries; the selection of the particular publication to be used in an advertising campaign may depend on the trade or industry to be covered.				

¹ No general magazines are published in these countries, but magazine coverage in these areas is obtained by United States export publications and from certain Argentine, Cuban, and Mexican publications.

TABLE 3.—Resume of Cost¹ and Coverage of Condensed Campaign in Latin American Newspapers (Based on Total Space of 1,560 Inches or Equivalent in Each Publication)

Country	Number of papers	Number of cities	Total circulation	Cost, in U. S. dollars
South America:				
Argentina.....	16	8	1,722,966	\$53,104.18
Bolivia.....	5	3	58,000	3,042.00
Brazil.....	10	7	466,000	16,220.72
Chile.....	5	3	202,251	5,003.96
Colombia.....	8	6	128,860	7,815.91
Ecuador.....	4	2	92,800	2,573.60
Paraguay.....	1	1	15,000	513.90
Peru.....	4	3	114,000	4,111.10
Uruguay.....	5	1	265,000	6,988.02
Venezuela.....	6	4	83,900	4,758.08
Central America:				
Costa Rica.....	2	1	20,000	807.56
Guatemala.....	2	1	16,800	1,266.39
Honduras.....	2	1	10,000	904.02
Nicaragua.....	1	1	5,000	367.07
Panama.....	2	1	60,000	2,340.00
Salvador.....	3	1	26,000	1,725.21
Mexico and Caribbean:				
Cuba.....	3	3	142,000	7,488.00
Dominican Republic.....	1	1	12,000	624.00
Mexico.....	11	8	469,838	9,483.22
Total.....	89	56	3,900,515	129,136.94

¹ All costs exclusive of mechanical costs.

TABLE 4.—Resume of Cost and Coverage of Condensed Campaign in Latin American Magazines (Based on 12 Full Pages in Monthlies and 26 Pages in Weeklies)

Country	Number of magazines	Total circulation	Total cost, in U. S. dollars
South America:			
Argentina.....	10	1,372,802	\$35,240.74
Bolivia.....			
Brazil.....	3	170,000	6,839.79
Chile.....	2	114,000	3,530.30
Colombia.....	1	14,350	1,049.49
Ecuador.....	1	5,000	113.00
Paraguay.....			
Peru.....			
Uruguay.....	1	40,000	1,060.54
Venezuela.....	1	12,000	1,835.34
Central America:			
Costa Rica.....			
Guatemala.....			
Honduras.....			
Nicaragua.....			
Panama.....			
Salvador.....			
Mexico and Caribbean:			
Mexico.....	5	286,000	7,773.55
Cuba.....	2	78,000	7,124.00
Dominican Republic.....			
Total.....	26	2,092,152	64,506.06

¹ See footnote to table 2.

of facts on circulation and costs by countries. The few large agencies, that have long specialized in foreign advertising, possess these data, but the smaller ones lack the necessary facilities for compiling such information.

New Plan for Guidance

One who has been especially cognizant of this lack is W. A. Anderson, recently appointed Director of Advertising in the Coordinator's Office. He realized that the great mass of interested American businessmen and agencies needed simple, basic information on available markets and the costs of reaching them, so that individual plans could be made on an intelligent basis.

The problem was presented to the War Advertising Council, a nonprofit organization made up of key men in the profession who are guiding cooperation in wartime campaigns and acting as liaison between advertisers and the Government. This group sought and obtained the cooperation of the Association of Export Advertising Agencies and other contributing agencies. The result of their efforts is a clear-cut, workable guide.

Practical, Flexible Aid

Prepared for the War Advertising Council and the Coordinator of Inter-American Affairs, the plan is now available from either of these agencies, Washington, D. C. Its chief merit lies in its simplicity and complete flexibility.

For instance, it provides the businessman with a choice of a comprehensive or condensed schedule in the various other American Republics. But, of greater importance, he now has an easy bench mark from which to form a quick estimate for any size campaign in any size area in Latin America. Indeed, by using fractions of the space indicated and confining circulation to the countries in which he may be interested, even the smallest businessman will find this unique plan a practical aid.

Problems Vary Greatly

The authors recognize the fact that no two advertisers are faced with identical problems. They point out that this is "doubly true in Latin American advertising. Distribution by industries is far from uniform—a market that is one exporter's source of profit may easily be so much red ink to another. One manufacturer's product may be easy to ship and transship. Another advertiser may find difficulty in reaching even the nearby points."

No copy themes, lay-out, or sketches are included. As the introduction to the plan points out, it is the privilege of the agency finally selected by the client to explore individual problems and objectives and then to outline a more detailed program incorporating the desirable media within the client's budgetary limitations.

Some Specific Data

As seen by the accompanying tables, the cost and coverage of a comprehensive (Continued on p. 43)

International Air Transport

Chief Problems That Require Solution by the Governments, If Air Cargo Is to Play Its Destined Role in World Trade

By JOSH LEE, Member of the Civil Aeronautics Board

MUCH HAS BEEN WRITTEN and spoken about the international air commerce that is expected to develop over and between all the continents of the world after the war is over. Aeronautically speaking, the developments of that trade appear potentially unlimited. In fact, the technical problems of operation would seem to be less than the political problems which are so very much a part of international air commerce. Therefore, I am listing six of the major problems that present themselves in the development of international aviation:

I. The Freedom of Innocent Passage, Established Through Multilateral Agreement

This would mean that the non-military aircraft of each country which entered into such an agreement would have the right to fly non-stop through the air space over the territory of all of the other countries which were parties to that agreement.

This policy was included in the Habana Convention of 1928, but has not been applied. Freedom of innocent pas-

sage should be established as an international policy in fact as well as precept.

If the world is to benefit by the advantages of air transportation, the shortest routes must be made available. In many cases, the shortest routes cross the territory of different countries. These routes should be opened to air transportation by mutual agreement.

II. The Right of Technical Stop, Established Through Multilateral Agreement

This would be the right to stop for fuel, for repairs because of bad weather, or because of any emergency. Such a stop would not include the right to discharge or take on traffic of any kind.

The establishment of the right of technical stop would greatly aid international air transportation because of the economy of operating in shorter stages than would otherwise be possible.

III. The Right of Commercial Stop for Scheduled Operators, Established Through Bilateral Agreement

This is the right to land at specified bases for the purpose of discharging and

taking on traffic. It would be for regular air-line operations and would include all of the rights and privileges usually accompanying such concessions.

IV. The Right of Commercial Stop for Non-Scheduled Operators, Established Through Bilateral Agreement

This would be for the benefit of charter and contract operators. It is the right to land for the purpose of discharging and taking on traffic. There would be no specified bases between which the carrier would be required to operate. There would be no scheduled operations. The traffic would be by contract, and the carrier could operate a door-to-door service between the two countries concerned.

V. The Right to Establish and Use International Aviation Facilities, Secured Through Multilateral and Bilateral Agreements

Air-navigation aids, communication channels, and meteorological information are essential to the operation of an air transport system.

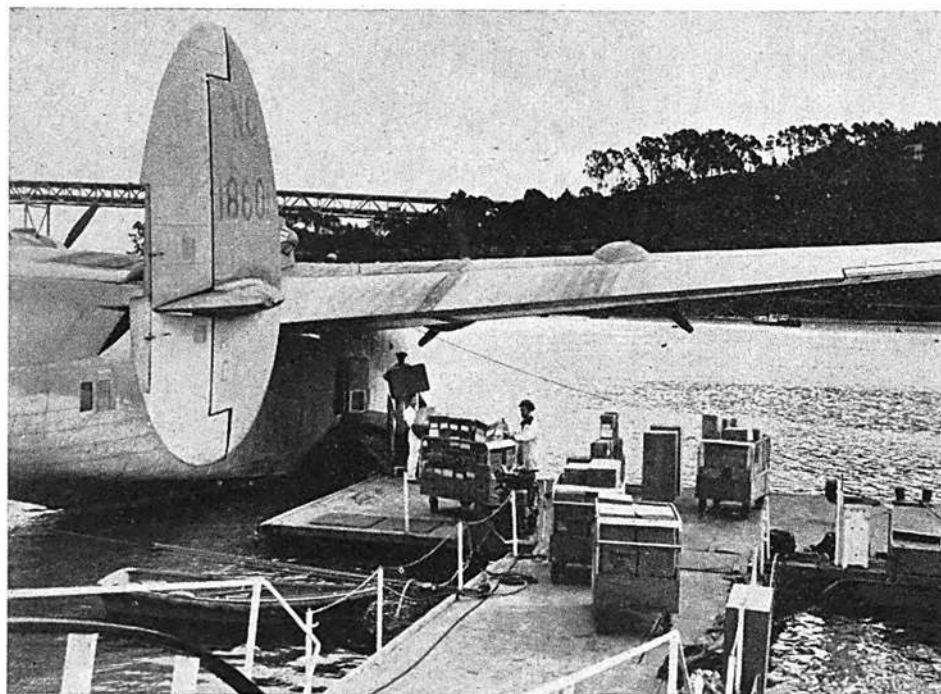
As much freedom as possible should be secured for the United States and its carriers to establish, maintain, and use navigation aids in foreign territories to the extent necessary to supplement local facilities.

The United States has established a world-wide system of these navigation aids for military aviation purposes. By agreement with the countries involved, these facilities could be maintained and made available for international air transport operations after the war.

VI. An International Authority with the Function of Recommending "The Rules of the Road," Established by Multilateral Agreement

This would be the governmental machinery for establishing uniform safety rules and regulations, uniform communication procedures and standardization of weather reports.

Such an International Authority could serve to bring together the aviation agencies of the different nations to work out agreements which would prevent subsidy wars and destructive competitive practices.



Courtesy Pan American Airways System

A remote Pacific island sees merchandise being loaded onto a cargo-carrying plane.

To Reap Full Advantages

Natural barriers, such as mountains, rivers, oceans, and deserts determine the courses of surface transportation. But air transportation can ignore coast lines and mountain ranges. The only bar-

Second Anniversary of Transatlantic Air Express Finds Great Gain in Oversea Shipments

The first commercial transatlantic air express in history was flown from the United States to Europe a little more than 2 years ago by the *Dixie Clipper*.

Since September 29, 1941, when the first international air-express shipment was landed at Lisbon—41½ pounds, including a Union Jack afghan for Queen Elizabeth of England—more than 4,300,000 pounds of vital express have been transported between the United States and Europe by one air system alone, providing an invaluable wartime link for the transportation of goods across the ocean.

One of the first international air-express shipments in aviation history was the dispatch of 146 hatching eggs from Miami in 1931, destined for a South American dealer. The successful business that followed in importing live baby chicks by airplane to Latin America to replace the tough "home-grown" variety was merely the first step in the development of widespread international air-express business.

By the time that the United States entered the war, airways were providing this Nation and others with dependable air-express service over all the major oceans to more than three-score countries on every continent, including Alaska, China, Europe, the American Republics, Africa, and Australia.

Today, planes' cargo holds are filled with priority consignments necessary to the war work of the United Nations and the defense effort of the Western Hemisphere. By such innovations as retooling—the "duration" substitution of light-weight packaging for weight- and space-consuming wooden cratings—as much as nine big plane loads a month have been saved on trans-Pacific shipments destined for the war fronts.

By connection at international air gateways to and from the United States with the Air Express service of Railway Express, shippers anywhere in the United States can arrange for through air shipment of their goods to almost any point in the world outside the zone of actual military operations.



Courtesy Pan American Airways System

Chicks take to the air in international commerce—and evidently love it. Such business, it may safely be said, is small indeed in comparison with the great aerial freight and express shipments that the coming years will witness.

riers that seriously hinder air transportation are man-made barriers; therefore, if we are to realize the full advantages of this new and wonderful method of transportation, we must remove all unnecessary international restrictions.

Jap Telegraph Service Extended in East Asia?

Telegraph service is now available between Singapore and the Philippine Islands, the Japanese claim. Reportedly, telegrams in European languages or Japanese are being accepted. The rate is 50 sen per word for Japanese (presumably "Kana Kana") and 60 sen for European—one word in each case equaling five syllables. Singapore is now connected by telegraph with Japan, Manchuria, China, Burma, Java, and North Borneo, as well as with the Philippines, according to Japanese assertions.

A quantity of typewriters was recently delivered to Spain by Germany. It is reported that the material in the machines was of a much poorer quality than that formerly used.

UNITED STATES TARIFF COMMISSION WASHINGTON

PUBLIC NOTICE

Postponement of Hearing

FROM OCTOBER 22 TO OCTOBER 29, 1943
MEDICAL SWABS

In the matter of complaint of unfair methods of competition and unfair acts in the importation and sale of medical swabs.

Docket No. 12, Section 337, Tariff Act of 1930

NOTICE is hereby given by the United States Tariff Commission that the public hearing in the foregoing investigation, heretofore set for October 22, 1943, has been postponed at the request of parties interested and is now set to be held on October 29, 1943.

The hearing will be held in Room 4-231 Empire State Building, 350 Fifth Avenue, New York, N. Y., beginning at 10 a. m.

By order of the United States Tariff Commission this 7th day of October 1943.

E. M. WHITCOMB,
Acting Secretary.

Order issued October 7, 1943.

News by COUNTRIES

Argentina

Economic Conditions

Argentine confidence was materially reassured in August by the announcement of a meat contract signed with Great Britain, by an unprecedented total of applications for the Government's first national 4-percent loan, and by a sharp upswing in foreign trade for July. The meat contract (retroactive to October 1, 1942) provides for the sale to the United Nations of exportable surpluses of meat until September 30, 1944, and stabilizes for a year the most important phase of the Argentine economy. These factors, however, though encouraging, contribute further to Argentina's inflationary tendencies.

LIVESTOCK AND BYPRODUCTS

Alfalfa and natural pastures continued good in August, and livestock was normal. Early reports indicate that the annual livestock exhibition at Palermo (Buenos Aires) in August was one of the most successful and most profitable in years. No record prices were paid for prize livestock, but averages were high. Cattle offerings increased during the month, and farm and market prices were firm. Price modifications are expected as a result of the new Anglo-Argentine meat contract. Sheep entries continued the improvement registered during July. Hog entries on the market improved over the preceding month, but prices continued to drop.

Despite the lateness of the season and the prevailing shipping difficulties, the wool market was satisfactory. Shipments were nearly 50 percent lower than in last August. Fair amounts, both greasy and scoured, were bought by the United States for shipment and also some important lots for storage. There was continued good demand for Cordoba wools. Business in fine wools has been negligible because of the scarcity of stocks.

Much easier trading for exporters prevailed in the packing-house salt-hide market in August, with prices generally easier and sellers disposed to accept offers nearer to foreign ceiling levels. "Americano" dry hides continued quiet. During the first 7 months of this year, exports of salt hides amounted to 62,000 tons in volume—a decrease of 15 percent compared with the relative period of last year. The United States' share of this business was 61 percent, compared with 53 percent for last year. The recent presence in Buenos Aires of the Anglo-American hide commission has revived hopes of greater exports.

CROPS AND MARKETS

August was characterized by low temperatures, intensive frosts, and snow-

fall in certain zones. Rains were light and the lack of humidity was noticeable. Weather conditions, however, were considered favorable inasmuch as they contributed to normal development of crops. Soil preparation for the next corn and industrial crops continued. An appreciable increase in the corn area is foreseen. Sowing of wheat and linseed was completed, while that of other crops continued under favorable conditions.

Storage and transportation of the anticipated larger crops of the coming harvests will be a serious problem unless substantial relief is afforded through increased imports of jute. A large sum already has been appropriated for speeding up work on grain elevators at important terminals, and a plan for building silos also is under consideration. Late in August official measures

were taken to expropriate stocks of jute and burlap as well as empty bags, both new and used. Regulations will be issued governing the movement of full bags in order that these also may be expropriated as soon as emptied. Bags for export of grain and linseed after November 25 must be marked "Producción Argentina."

The third official estimate of the 1942-43 corn crop places it at 1,943,184 tons. Of the 4,138,541 hectares (10,346,000 acres) sown to this crop, 1,767,369 hectares (4,400,000 acres) were harvested. The 1941-42 corn crop amounted to 9,034,000 tons.

The 1942-43 rice crop, according to the third official estimate, will amount to 99,050 tons compared with the preceding year's crop of 108,100 tons.

The third official estimate of the 1942-43 cotton crop envisages a production of 95,000 tons—an increase of 14,000 tons over the 1935-36 record crop of 81,000 tons. Stocks on hand as of February of this year totaled 48,000 tons. On the basis of private figures, internal consumption this year will amount to about 65,000 tons, leaving an excess of 75,000 tons for exportation or stock. Of this year's crop, 90,000 tons already have been ginned.

The shipping scarcity was reflected in low wheat shipments; total exports during August amounted to only 155,000 tons, Brazil, Chile, and Spain all buying moderate quantities.

The corn market was dull in August and supplies continued small, trading being confined to local consumption needs and small quantities for fuel purposes. Most of the railways have no corn stocks for shipment, and the lack of freight cars in the interior of the country is such that not even the small lots held by farmers can be shipped. While an export prohibition was announced by the Government early in August, it was later decided to authorize the exportation of 15,000 tons to fulfill contracts signed before the date of the prohibition.

The linseed market was firm, but the new demand from the United States was restricted by the small stocks available to the Grain Board. All business must be transacted through the Grain Board, and, as buying was suspended on August 15, farmers and storekeepers were reported left with 250,000 tons to 300,000 tons which they could not negotiate. Shipments in September were expected to be unrestricted, to be followed by large exports in October and November. Available stocks probably will increase as the result of an order by the Ministry of Agriculture canceling a portion of the 900,000 tons of linseed that have been sold to factories and public utilities for burning.

Only 60 percent of the latest sunflower-seed crop of 335,000 tons had been

The Cover Picture



Varied Facets of Foreign Trade

The montage of five pictures which constitutes our cover this week portrays just an infinitesimal fraction of the countless aspects of the panorama of international commerce and world industry.

In the center is a picture (Norwegian official photo) of a fishing fleet at one of the small, picturesque northern ports of Norway. At the upper left, one sees a worker in a henequen-products factory in El Salvador, in Central America. At the upper right, trucks are roaring over lonely roads in far-away Iran (long called Persia) in a picture made by the U. S. Signal Corps. Everyone will recognize at once that the picture at the lower left—from the Coordinator of Inter-American Affairs—is that of one portion of the magnificent harbor of Rio. At the lower right we see a girl worker in a Canadian war plant, and the picture came from the Wartime Information Board (Canada).

negotiated by the end of August, despite the fact that crusher demand is large. Trade reports indicate that approximately 10,000 tons of sunflower-seed oil were sold a few months ago for export to the United States, and that the Government probably will grant export permits on old contracts.

It has been officially announced that 2,119,697 tons of wheat were milled during 1942, yielding 1,515,329 tons of flour and 585,563 tons of byproducts. Of the 258 mills registered, only 153 worked. The average per capita consumption during the 5-year period 1938 to 1942 was 107.8 kilograms and during the previous period 1933 to 1937, it was 106.7 kilograms.

COMMERCE AND INDUSTRY

There is continued uncertainty in business and trade circles regarding future Government measures, hence, commercial activities are reported abating. The Government is continuing its policy of control. External commercial transactions continue to be influenced by expectation of any early ending of the war in Europe. The decree of July, sharply reducing rents, started a selling wave, but it has not had the retarding influence on new building construction that the shortage of construction materials has had. Industrial activity still is satisfactory. Many quarters foresee a sharp increase of the income tax, but business in general hopes that the Government will avoid an excess-profit tax. Urgent world-war requirements have improved the prospects of exporting practically all surpluses of various important commodities at good prices, while the labor situation continues good.

The foreign-trade situation improved considerably in July after disappointingly low registrations during June. The volume of exports moved up 66.4 percent from the preceding month, thus reaching the highest monthly figure, except for July last year, since the beginning of 1942; the import tonnage increased by 55.5 percent, which total has been exceeded since the beginning of last year only in January and March 1942. In relation to July 1942, export volume declined by 3 percent while import volume increased by 14.8 percent. The value of exports was the highest monthly value registered since the war began and was 41.5 percent greater than for June and 16.4 more than for July a year ago. Import value was 14.5 percent higher than in the preceding month, but 2.8 percent lower than in July of last year.

Argentina's favorable trade balance in July amounted to the near-record sum of 109,870,268 pesos, as compared with a similar balance of 60,862,108 pesos for the preceding month and 77,329,266 pesos for July 1942.

Import items which appear to have been most favored by the conspicuous improvement in July were: Chemical substances and products, and paints and oils; paper and cardboard; iron and iron manufactures; and fuel and lubricants.

The geographical distribution of Argentina's foreign trade continues to show evidence of new trends and tendencies. Imports from Sweden during July alone exceeded the total movement of this

New Irrigation Projects for Northern Chile

The Chilean Government is paying special attention to the question of increasing production in the Lluta and Azapa Valleys near Arica in northern Chile, says the magazine *Latin American World*, of London. These valleys are very fertile and are capable of producing high-grade tropical and semi-tropical products.

The irrigation problem has been solved where necessary by boring for water in the subsoil. Borings made in the Azapa Valley are proving satisfactory. Both valleys are watered by torrents from the mountains, this abundance of water accounting for the freshness of vegetation the year round and for the variety of fruit—oranges, "cherimoya," olives, and other fruits.

The first results of the sugar harvest in the Azapa Valley show that the quality is good and similar to that produced in tropical countries.

Large shipments of olives, says the *Latin American World*, are being sent from Arica to the United States. Argentina also provides a good market.

It is proposed to plant wide areas of eucalyptus in the Lluta Valley to provide a richly wooded district that will give employment to many workers in the future.

trade recorded for the preceding 6 months. An equally important expansion took place in the value of Argentine purchases from Switzerland. Interest in Argentina's new-found overseas market in the Union of South Africa, exports to which continue to reflect spectacular expansion, was heightened during July by a marked increase in imports. Present-day importance of South Africa as a market for Argentine goods, particularly textiles, is shown by that country's rise to third place in Argentina's export trade, ranking after the United States and before Brazil.

Foreign-trade tonnage during the first 7 months of this year continued to decrease and was 24.7 percent under the corresponding total for 1942 as well as the lowest figure for any relative period. The volume of exports declined 18.5 percent from the corresponding total in 1942 and 65.7 percent in comparison with the same period in 1939. Values, however, show an increase. Import tonnage decreased 31.5 percent in comparison with the total volume for the first 7 months of 1942 and 64.8 percent compared with the corresponding figure in 1939.

Value of exports for the 7 months, except for 1937, was the highest for any relative period during the past decade. The extraordinarily large trade balance of 547,152,283 pesos is nearly double the surplus of 278,051,633 pesos for the cor-

responding 7 months of last year. Total turn-over value decreased by 12.4 percent, exports being 1.7 percent more but imports 31.5 percent less.

Great Britain regained its place from the United States as Argentina's principal supplier during the first 7 months of this year. Brazil was in third position, while Sweden followed in fourth place. Great Britain continued as the leading buyer of exports. The Union of South Africa, Brazil, and Chile were in third, fourth, and fifth positions, respectively. The United States was in second place both as supplier and buyer.

There was a marked increase in the depressed ocean-going ship movement during July, 130 vessels with an aggregate of 297,522 net registered tons having arrived at Argentine ports. This was a tonnage increase of 59.7 percent over the preceding month, and of about 19 percent over July a year ago. The July 1943 movement was the highest during the past 16 months. British, Swedish, and North American vessels showed increases.

For the first 7 months of this year, there were 716 ship arrivals totaling 1,428,331 net registered tons, compared with 806 vessels with an aggregate of 2,015,904 net registered tons during the corresponding period of last year. The British tonnage led in this trade, accounting for 30 percent of the total. It was followed in order by Argentine, Spanish, Swedish, North American, and Brazilian tonnage.

Early in August a decree was announced ordering boats of the State merchant fleet to make New York their terminal, thereby revoking decrees of June 13, 1942, and July 8, 1942, which prohibited Argentine vessels from proceeding farther north than the United States Gulf ports, in acquiescence to the Axis declaration of a blockade of the United States North Atlantic coast.

A decree of August 19 declares all ocean-going vessels flying the Argentine flag to be a public utility and henceforth subject to decisions made by the Ministry of Marine. The Government stated that this measure was made necessary by the shortage of bottoms carrying Argentine freight. The measure envisages the lowering of high freight rates now prevailing.

There was lively activity in building-construction operations in Buenos Aires during June, following a decline during the preceding month. There were 1,360 building permits granted for a construction value of 15,586,244 pesos in comparison with 1,266 permits for a total value of 11,517,512 pesos during May and 1,252 permits and 12,463,520 pesos in June a year ago.

Results for the first half of this year, not yet reflecting the Government's lower-rents decree, which became effective July 1, 1943, were appreciably better than in the corresponding periods of the preceding 2 years. Thus, this year, 7,774 permits were granted for a value of 98,110,618 pesos, against 7,275 permits and 75,360,675 pesos for the relative period in 1942, and 8,569 permits to a value of 82,780,281 pesos in the corresponding 6-month period in 1941.

On August 24, Argentina and Chile signed three economic agreements. The

New Netherlands-Belgian Monetary Agreement Looks to "Post-War"

An agreement for the stabilization of Netherlands and Belgian currencies was announced several days ago by the Governments of the Netherlands and Belgium in London. The text of the announcement follows:

"The Belgian and Netherlands Governments have for some time been engaged in negotiations regarding a financial agreement which they believe will have a favorable influence on the development of trade in the post-war period. These negotiations are now on the point of being concluded.

"Realizing that restrictions on the use of foreign currencies constitute one of the greatest obstacles to international trade, both Governments have agreed to put at each other's disposal the respective currencies needed for their mutual relations. Appreciating the importance of monetary stabilization, both Governments have agreed upon a stable rate of exchange between their respective currencies.

"The agreement between the Belgian and Netherlands Governments is the first concrete step toward the realization of the international monetary plan, now being prepared in Washington, and to which both Governments are favorably inclined. Both Governments hope that they will thus make a real contribution to international cooperation and the development of a good-neighbor policy."

first of these establishes a joint commission to study ways and means of effecting a customs union, with a year being allowed for the studies in question. The second is to facilitate the operation of the trade agreement of June 3, 1933, especially regarding the regulation of railway rates. The third is designed to expedite the completion of the trans-Andean railway from Salta to Antofagasta, the reconstruction of the Mendoza-Valparaiso line, and the initiation of studies next year for a new line running from Zapala to Lonquimay in the southern lake region. The agreement also provides for certain other highway construction and improvements between the two countries.

A trade treaty including the most-favored-nation clause was signed by representatives of the Governments of Argentina and Ecuador on September 1, 1943. The treaty excludes the advantages accorded by either State to contiguous countries or preferences resulting from any customs union concluded by either State with another country.

LABOR AND PRICES

The labor situation in August was quiet, the strike of longshoremen employed in the port of Buenos Aires having been settled quickly. Official intervention of the two railway employees' unions has taken place on charges of mismanagement.

Official reports for the month of July show a decrease from the preceding month in employment in industry, but increases in wages paid and man-hours. The increase took place principally in one industrial group with declines in other groups.

There was a fractional drop in the general wholesale price index for July. On the basis of 100 for 1926, the July index stood at 204.1, compared with 204.4 during the preceding month and 191.1 during July a year ago. The non-agricultural-group index for July was 235.7 as compared with 236.7 for June and 221.5 for July 1942. The agricultural group number rose to 88.8 from

86.8 during June. There has been a steady rise since March, when this number stood at 85.1. The July increases resulted from higher prices for wool, and, to a lesser extent, for grains, linseed, and hides.

On the basis of 100 for the first quarter of this year, and with corresponding numbers for June shown in parentheses, the general index of industrial employment during July was 104.7 (105.0); of total wages paid, 106.6 (105.3), and of work-hours, 108.0 (106.7). Taking 1937 as a basis of 100, the employment index for July stood at 129.2 compared with 129.6 for June and 127.7 for July 1942; while the comparative numbers for wages paid were 152.7 for July, 150.8 for June and 140.9 for July 1942.

For the first 7 months of this year, on the basis of the 1937 average, the employment index stood at 125.5 compared with 124.1 for the corresponding period in 1942; the wages-paid number was 148 in comparison with 136.3 during the relative period last year.

The Department of Labor's general cost-of-living index for July, based on 100 for 1939, stood at 106.05 in comparison with 115.26 for June and 110.86 for July 1942. The sharp decrease in July was due to lower indexes for foodstuffs, which dropped from 115.59 to 111.09, and that of rents, 110.29 to 80. On the basis of average values for 1942, the general cost-of-living index for July stood at 95.63, compared with 103.93 for June.

Exchange and Finance

Government Issues in August.—Financing operations by Argentina during August included the offering for public subscription of 100,000,000 pesos of the 300,000,000-peso, 4-percent, internal loan of 1943-84 and the two fortnightly Treasury bill tenders. The new 4-percent loan was offered at 93.6 percent, thus yielding an immediate return of 4.27 percent. During the first day, subscriptions amounted to 435,000,000 pesos, after which the lists were closed. Subscriptions totaling 200,000,000 pesos were ac-

cepted. The heavy oversubscription is attributable mainly to the liquidity of the Argentine money market.

The two Treasury bill tenders amounted to 35,000,000 and 40,000,000 pesos for which 30.1 million and 57.2 million pesos, respectively, were offered at interest ranging from 0.89 percent for 60-day bills and 2.40 percent for 360-day bills. These rates were slightly higher than those prevailing for similar paper in August 1942.

Revenues.—Government revenues continue to rise, amounting to 129,900,000 pesos in July compared with 116,600,000 pesos in July 1942. For the first 7 months of 1943 total collections amounted to 619,500,000 pesos and to 612,600,000 pesos in the corresponding period of 1942. Customs duties were lower in the 1943 periods than in 1942, reflecting the decline in imports, while receipts from income and other taxes based largely on domestic business were higher, indicating increased activity.

Central-Bank Operations.—The August 15 report of the Central Bank shows continued increases in the bank's gold and foreign-exchange holdings. Gold and foreign exchange held abroad rose by 77,700,000 pesos to 1,732,700,000 pesos, a new record, while the value of gold held in the country declined slightly to 1,074,000,000 pesos. The ratio of gold and exchange holdings to notes in circulation rose from 156.28 percent to 160.88 percent and the ratio of gold and foreign exchange to notes and sight liabilities combined increased from 84.24 percent to 84.67 percent.

Stock Market.—Stock-market activity continued at a high level during the first half of August but broke sharply thereafter owing to the offering of the new national loan. The announcement by the Government of control over freight rates and shipping routes of all Argentine ocean-going vessels was also a contributing factor in the recession.

Belgium

Tariffs and Trade Controls

Paint and Varnish Industry: Compensation System and Special Taxes Established.—A system of compensation between the members of the paint and varnish section of the trade group of the pigments, paints, and varnishes industries was established in Belgium and special taxes fixed, by orders of October 12 and December 24, 1942, published in the *Moniteur Belge* (Brussels) of October 18 and December 31, respectively.

Taxes to provide funds for the operation of the compensation system were fixed as follows: On 1941 turnover, 0.50 percent; and on 1942 turnover: 1 percent of the amount of turnover equal to or less than that of 1938; 2 percent of the amount of turnover exceeding but less than or equal to twice that of 1938; and 3 percent of the amount of turnover exceeding twice that of 1938.

Textile Industry: Compulsory Compensation System Organized within Group; Special Tax Fixed.—A system of compulsory compensation between the members of the principal group of the

textile industry was established in Belgium by an order of December 24, 1942, published in the *Moniteur Belge* (Brussels) of December 31.

To supply funds for the operation of this system, each member of the above group is to pay a tax of 1 percent of his 1942 turnover.

[See FOREIGN COMMERCE WEEKLY of October 16, 1943, for announcement of authorization for compulsory compensation systems.]

Brazil

Exchange and Finance

Exchange Market Continues Steady.—During August the exchange market continued steady in Brazil. In view of the large excess of exports, offerings of foreign exchange exceeded the demand. As a result of these circumstances the dollar was under considerable pressure in Brazil. It is reported that some commercial banks, not desiring a large "bought" position, at times quote rates somewhat lower than those of the Bank of Brazil. It is also reported that if the Bank of Brazil should relax its rigid control over exchange rates, the cruzeiro would improve substantially as against the dollar.

On September 1, the Bank of Brazil altered its rates for buying and selling "special" free exchange to 19.39 cruzeiros and 20.30 cruzeiros (plus 5 percent), respectively. This was done to make the "special" free rate conform to the reduction effected in the official purchase price of gold by the Bank of Brazil on June 17, 1943, from 23.30 cruzeiros per gram of pure fine gold to 23.10 cruzeiros. No other significant changes occurred in exchange rates.

As a result of the continued large export trade balance of the country, the exchange position of the Bank of Brazil showed further improvement, net holdings of gold and foreign exchange increasing from 3,576,800,000 cruzeiros on June 30 to 3,785,700,000 cruzeiros on July 31.

Tariffs and Trade Controls

Regulations for Air-Express Shipments Revised.—The regulations affecting air-express shipments to Brazil were revised by the terms of decree-law No. 5,099, of December 16, 1942, published in the *Diario Oficial* of December 19, 1942, and effective on March 19, 1943.

Commercial airlines to Brazil are now obliged to present to the customs authorities the following documents, among others: A general manifest, an air waybill for each package of merchandise carried, and a shipping list. A special transit list is also necessary for transit shipments.

The agent of the company owning or operating the ship must present the general manifest, in four copies, to the Brazilian consul at the point of origin of the trip for the proper legalization. If there is no Brazilian consul at this point, the manifest must be legalized by the first consular authority encountered in the course of the trip. The manifest must contain a list of the crew, the pas-

sengers, and the number of packages of merchandise. This document must be prepared on a prescribed official form.

Three copies of the air waybill, which also requires consular legalization, must indicate the date and place of issue; the points of origin and destination; the name and address of the shipper; the name and address of the carrier; the name and address of the consignee, if there is sufficient room; the nature of the merchandise; the number, manner of packing, and shipping marks or numbers of the packages; the weight, quantity, volume, or dimensions of the goods; the price of the goods and the shipping charges in case of c. o. d. shipments; the declared value, if any; the number of copies of the air waybill; the documents delivered to the shipper to be sent with the air waybill; the time for the trip and a brief indication of the route to be followed; and the country of origin of the merchandise.

The shipping list must show the numbers of the air waybills; the name of the shipper; the name of the consignee; the number and description of the packages; marks, contents, and weight of packages; the point of origin; and the point of destination.

The fees for the consular legalization of the prescribed documents are:

General manifest.....	\$4.00
Additional fee if passengers are transported.....	6.00
Additional fee if packages are transported.....	6.00
List of the crew of ships used for non-commercial purposes or employed solely in carrying mail.....	3.00
Air waybill.....	3.00

[Holders of the reprint from FOREIGN COMMERCE WEEKLY of August 1, 1942, "Preparing Shipments to Brazil," should note the above changes under the section "Air-Express Shipments."]

Essential Oils of Citrus Fruit: Export Standards and Fees Established in State of Sao Paulo.—Regulations established by the Brazilian State of Sao Paulo to govern grading and classification standards and export packing of essential oils of citrus fruits, were approved by the Brazilian Ministry of Agriculture by an order (No. 57) dated February 1, 1943,

promulgated in the *Diario Oficial*, February 3, 1943, Rio de Janeiro. The regulations also establish an export inspection fee for these products.

Under an agreement by the Brazilian Federal Government and the State of Sao Paulo, dated April 5, 1940, the Federal Government has delegated to the State of Sao Paulo authority to issue regulations governing the harvesting, processing, classification, preparation, warehousing, and transportation of products subject to Federal standards.

Brazilian Ratifications of Most-Favored-Nation Treaty of Commerce and Navigation With Chile Exchanged, and Treaty Now Definitely in Force; Additional Agreement Reached for Stimulating Post-War Trade.—Ratifications of the most-favored-nation treaty of commerce and navigation between Brazil and Chile, signed at Rio de Janeiro on March 1, 1943, and which became provisionally effective from the date of signature, were exchanged at Rio de Janeiro on September 8, 1943, thus definitely bringing the treaty into force.

At the ratification ceremony the Brazilian and Chilean Ministers of Foreign Affairs exchanged letters by which the two governments agree that the Permanent Mixed Commission created by the treaty for developing trade and navigation, should undertake appropriate additional studies and make recommendations for the purpose of increasing production of raw materials and manufactured goods in both countries and stimulating Brazilian-Chilean post-war trade.

[See FOREIGN COMMERCE WEEKLY of May 8, 1943, for notice of the signature and provisional entry into force of the Brazil-Chile most-favored-nation treaty of commerce and navigation. The United States is on a most-favored-nation basis with both Brazil and Chile.]

Colombia

Tariffs and Trade Controls

Unconditional and Unlimited Most-Favored-Nation Commercial Treaty With Reciprocal Tariff Concessions Signed With Ecuador.—An unconditional and

New WPB Publication Helps Businessmen

A new publication designed to aid businessmen and Government officials in obtaining information on all products, materials, and service handled by the War Production Board is now being issued by WPB every 4 weeks.

The publication, titled "Products and Priorities," includes all information formerly contained in "Priorities" and in "Product Assignments," both of which have been discontinued. A year's subscription of 13 issues may be obtained for \$2 from the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. Single issues are available at 20 cents each.

A feature of "Products and Priorities" is a master alphabetical index listing every product, material, or service which comes under WPB supervision or control. This enables businessmen and others to determine easily the numbers of any applicable WPB orders and forms, all necessary CMP references and the WPB division and section responsible for the product, material, or service.

"Products and Priorities" also includes a list of Claimant Agencies, Claimant Agency program symbols, and other information for which a public need has been indicated.

unlimited most-favored-nation commercial treaty embodying reciprocal tariff concessions was signed at Bogota by Colombia and Ecuador on July 6, 1942.

Both parties grant to each other unconditional and unlimited most-favored-nation treatment in customs duties and subsidiary charges, the method of assessing and collecting such duties, and in all matters pertaining to customs regulations, formalities and obligations, import prohibitions and restrictions, navigation, exchange control, and import quotas, with the exception of special advantages accorded by either party to adjacent countries for facilitating frontier traffic, and advantages resulting from a custom union.

Under the treaty Colombia grants Ecuador duty-free entry for mineral water; cotton; rice; pearl barley; sugar; but-tons and manufactures of tagua; cacao;

meat in brine, pickled or jerked meat; woolen cashmere; grain barley; cement; beans; fresh fruit; carbonic gas; gaso-line; dry ice; crude cotton yarn, crude woolen yarn; common soap; animal wool; lentils; yeast in cake and in powder; book and magazines; butter; woolen shawls; salt; "liencillos" (cotton cloth); wheat; candles; and chalk.

In return Ecuador grants Colombia duty-free entry for medicinal oils; Eau de Cologne; articles of porcelain and flint; toilet articles, articles of glass; anis; balms; sweet carbonated beverages; leather bags; cement and manufactures thereof (paving tiles, roofing tiles, and tubes); asbestos-cement; cigars and cigarettes (all trade to go through the monopoly); hides and skins; containers of tinplate; pharmaceutical specialties; toilet soap; medicinal sirups; books and magazines; lotions; vegetable lard; agricultural and industrial machinery; cotton stockings; silk stockings; metal furniture; woolen cloth (except covers, linen, and blankets); perfumes; face powder; pomades and unguents; metal doors and windows; nails; sisal sacks; caustic soda; serums and vaccines; raw and prepared tobacco (all trade to go through the monopoly); crown caps; printed cotton cloth; and table-services and household utensils of iron and aluminum.

Both Governments declare that the object of this treaty is to grant each other concessions and advantages to amplify reciprocal trade between the two countries; that these advantages and concessions, particularly exemptions from import duty, are in the nature of concessions to bordering countries; and that with the intention of amplifying this trade each of the stipulations of the treaty will be fulfilled.

The merchandise exempted from import duty may be required upon importation to be accompanied by a document proving its origin; this document will be subject to the legal requirements of each one of the contracting parties.

In order to facilitate the fulfillment of Government plans for a greater national economic development, both countries agree to leave the other free to establish global import quotas for any of the products exempted from import duty in the treaty, with the understanding that the country considering the establishment of such import quotas will give 30-day advance notice to the other, and when such global import quotas are established, the other country will be given, as a neighboring country, a preferential quota within the global quota in order to favor frontier trade.

The treaty also provides for national treatment in questions of national, departmental, provincial, or municipal taxes and other charges on natural or manufactured products of either country after importation into the other country. Another provision guarantees reciprocal freedom of commerce and navigation between the two countries, and states that the citizens of either country may frequent the coast and territory of the other country, trade and reside therein, and carry on their business personally or through agents; their ships and cargo

may also enter and leave the ports and bays which are open to foreign trade without hindrance. Capital of either country invested in industry in the other country will enjoy national treatment.

The two Governments reciprocally agree to abolish taxes and charges of any kind which apply to transit trade, and not to establish in the future any charges on such trade. When either Government desires to establish or modify formalities or requirements applying to transit trade, it will consult with the other in advance, so as to avoid the establishment of formalities which might impede transit trade of native as well as of foreign products.

Each Government reserves the right to require that purchases of certain products from the other country be made through a government agency to be specified, so as to assure appropriate distribution of the products in the internal market.

Whenever feasible, each Government will consult with the other before applying new sanitary measures, in order to cause as little prejudice as possible to the trade of the other, within the purpose of the proposed measure.

The present treaty will prevail over the Treaty of Friendship, Commerce, and Navigation between Colombia and Ecuador, signed on August 10, 1905, in case of incompatibility of any of the clauses in the two treaties. It will be submitted for approval by the Congress in each country and ratifications will be exchanged at Quito as soon as possible. It will become effective from the day on which ratifications are exchanged and will remain in effect for 3 years and thereafter until denounced upon 6 months notice.

[The United States is on a most-favored-nation basis with both Colombia and Ecuador.]

New Price-Control Procedure in Chungking

Establishment of a new price-fixing technique in Chungking during July 1943 has resulted in the substitution of a "negotiated price" system in place of the official ceilings imposed by the National Government in January 1943. Under the new procedure, prices on some 300 commodities are worked out by agreement between Chungking municipal authorities and the merchants' guilds. Official ceilings however, are still retained on rice, salt, cotton, cotton yarn and cloth, rapeseed oil, coal, and paper.

This new development was largely responsible for a sharp increase in the level of retail prices in Chungking during July, because the newly imposed "negotiated prices" were reported to have exceeded official ceilings by an average of approximately fifty percent. Preliminary figures released by the Statistical Office of the Bureau of Social Affairs at Chungking reveal a 19 percent increase in the general index of retail prices (January-June 1937=100) for July over the previous month, rising from 9,799 in June to 11,662 in July. Prices of commodities under official ceilings also continued their upward trend, a 38.4 percent increase in the retail price index for fuel, from 16,368 to 22,665, being attributable in large part to upward adjustments of thirty to sixty percent in official coal prices.

Informed observers in Chungking are of the opinion that commodity prices are likely to continue their increase at an average rate of ten percent monthly until such time as favorable military developments give rise to a widespread feeling that the war is approaching its end.

Cuba

Exchange and Finance

Monetary Stocks Increase.—During the year ended June 30, 1943, the total monetary stock of Cuba increased from about \$209,699,000 to \$265,054,000. Of this increase, Cuban currency accounted for \$22,628,000 and United States currency for the remainder. During the same period monetary holdings of banks increased from \$85,994,000 to \$104,374,000, while that in the hands of the public increased from \$113,572,000 to \$152,233,000. Holdings of the Treasury decreased from \$10,133,000 to \$8,448,000. The increase in Cuban currency was due to the issue of additional silver certificates. On June 30, 1943, such certificates in circulation amounted to 116,745,062 pesos, coverage for which consisted of 79,790,000 pesos in 1-pesos silver coins, 1,240,712 pesos in gold coins (revaluated basis), \$25,000,010 in gold bullion, and \$10,000,053 in United States currency.

The increase of \$32,727,000 in United States currency was due mainly to heavy shipments of United States currency to Cuba by the United States Treasury to provide local banks with dollar funds with which to pay Cuban producers for their 1942-43 crops of sugar purchased

by the Defense Supplies Corporation. The recently created tax of 15/100 of 1 percent on Cuban capital invested abroad, which has the effect of compelling banks and private individuals and companies to return to Cuba deposits which were formerly maintained abroad, was also a factor in the increase of United States currency holdings in Cuba.

Tariffs and Trade Controls

Cotton Sacking Imported for Manufacture of Sugar Bags: Provision for Marking Modified.—Cotton sacking material brought into Cuba for use in the manufacture of sugar bags may be imported for a 1-year period beginning September 3, 1943, at the reduced rate of import duty applicable under Cuban customs tariff item No. 128-A, when labeled on only one side, according to presidential decree No. 2499 promulgated in the Gaceta Oficial of September 3, 1943.

The decree was issued as a war measure designed to save ink and rubber.

[Previously imports of cotton sacking for use in the manufacture of bags, in order to be dutiable at the rate of duty under item 128-A (\$0.056 per kilogram for United States goods), had to be stamped on both sides with indelible ink to show the name of the national industry to which they were destined, the marking being in such a manner as to occupy the greater part of the surface of both sides of the sacks.]

Dominican Republic

Tariffs and Trade Controls

Cement: Importation Prohibited Except Under Prior Import License.—The importation of cement into the Dominican Republic has been prohibited except under prior import license issued by the Committee of Control of Prices of Construction Materials, according to presidential decree No. 1379 of September 9, 1943. The purpose of the decree is to regulate the volume of imports of cement, a commodity not subject to import recommendation certificates, so that shipping space for this commodity, unless necessary, may not be used to the exclusion of more essential materials.

Germany

Tariffs and Trade Controls

Mineral Oils and Coal-Tar Oils: Export Permits No Longer Required.—Export permits are not required in Germany for mineral oils, coal-tar oils, and most products thereof exported, effective February 20, 1943, by an order of February 4, published in the Reichszollblatt of February 10.

Ores, Ferro-Alloys, Metal Scrap, and Waste: Exportation Permitted if Released by "Reichsvereinigung Eisen."—Specified ores, ferro-alloys and metals therefor, and metal scrap and waste may be exported from Germany without export permit, if released for export by

the "Reichsvereinigung Eisen," by an order of January 18, 1943, published in the Reichszollblatt of January 30.

Haiti

Tariffs and Trade Controls

Coffee-Export Control Administration Transferred.—Control of the exportation of Haitian coffee has been transferred from the National Bank of the Republic of Haiti to a "Coffee Export Quota and Control Commission" made up of various members of the Department of Commerce and National Economy and of the Department of Agriculture, according to a decree-law of September 23, 1943, which appeared in the Haitian press of September 27, 1943.

Distribution of all quotas of coffee will be based upon the production of each region, the facilities of transportation of that region to the different ports of export, the importance and quality of the installations of preparation established in that region or in the ports which serve it, the importance of the establishments and their financial guarantees, and of the quality of the coffee shipped by each exporter of the preceding year. The quotas allotted to exporters cannot be transferred by the holders to other exporters. All quota distribution will be made only by the coffee commission.

No coffee may be exported unless covered by a permit issued by the commission. A registration fee of 25 centimes per bag of coffee (of 60 kilograms) to be exported will be charged at the time of the issuance of the export authorization.

[See FOREIGN COMMERCE WEEKLY of July 12, 1941, for announcement of earlier decree whereby the National Bank of the Republic of Haiti was appointed as coffee control administrator.]

India

Exchange and Finance

Reserve Bank of India Realized Larger Profit.—The net profits of the Reserve Bank of India for the year ended June 30, 1943, amounted to 76,981,000 rupees (\$23,188,000), an increase of 42,800,000 rupees over that for the preceding year, according to the bank's annual report to shareholders. A marked increase in the interest-bearing assets of the bank accounted for the increase.

The bank is required, by an ordinance dated June 30, 1943, temporarily to limit dividends paid to shareholders to 4 percent. After deducting 2,000,000 rupees for the purpose of dividends, there remained a surplus of nearly 75,000,000 rupees for payment to the Central Government.

Public Finance.—India ended the first quarter of the present fiscal year (April to March) with expenditures exceeding receipts by 334,000,000 rupees (\$100,608,000), compared with a deficit of 295,000,000 rupees in the corresponding period of last year.

Larger receipts from customs and excise duties and corporation and income taxes accounted for an increase of 107,-

New River-and-Harbor Developments for Mexico

Long-term financing for an ambitious river-and-harbor development project will be provided under a Mexican Government plan reported recently, says a statement by the Office of the Coordinator of Inter-American Affairs. With a government guaranty, official and private banks will contribute 150,000,000 pesos to serve as the initial capital of the projected Banco Marítimo. "Bonos de la Costa" certificates will be issued by the Government to back the operation.

The development will be carried out gradually, commencing with the dredging of the Papaloapan River, which empties into the Gulf of Mexico. This operation, according to reports may be the first step in the construction of an interoceanic canal between the Pacific and the Gulf.

The creation of the bank to carry out these and other developments is meant to avoid the difficulties caused by administrative changes every 6 years and the possible alteration of projects by new executives.

000,000 rupees in revenue during the quarter compared with the same period in 1942. Expenditures were also higher by 145,200,000 rupees as a result of increased defense costs.

To help cover these deficits, India is conducting bond drives, and, according to latest reports, 1,562,356,000 rupees (\$470,605,000) have been subscribed in the 11 Provinces, the Indian States, and the centrally administered areas. These obligations are in the form of 3-percent defense loans, 3-year interest-free bonds, defense-savings certificates, and defense-savings bank deposits. Defense loans constitute 94 percent of the total. The Provinces of Bombay and Bengal together subscribed 77 percent of the above aggregate, with subscriptions totaling 1,205,511,000 rupees.

Four Provincial governments have, in addition, issued loans raising 77,500,000 rupees, the proceeds of which are intended as advance payments of a part of the provinces' consolidated debt to the Central Government.

Italy

Transport and Communication

Operations of State Railways.—The Italian State Railways operated lines totaling 17,172 kilometers in the fiscal year 1941-42, a foreign transportation magazine states, compared with 17,051 kilometers in 1940-41.

Passengers carried in the period under review totaled 285,000,000, or an increase of 62,000,000 over the preceding year. The tonnage of goods showed an in-

crease of 3,000,000 tons, rising to a total of 73,000,000 tons; loaded freight cars numbered 4,939,000 compared with 4,684,000 in the preceding year.

The average number of daily passenger trains declined 18.5 percent; but was offset by a greater number of cars in each train which averaged 24.9 axles, compared with 20.1 the preceding year. Many of the sleeping cars, some of the high-speed rail cars, and all dining cars were taken out of service.

Electrification of 212 kilometers was completed, bringing the total length of electrified lines up to 5,430 kilometers. An additional 242 kilometers was scheduled late in 1942, of which 137 kilometers was on the Milan-Domodossola run.

It was stated that the Italian State Railways operated 35 power plants supplying 643,000,000 kilowatt-hours, an increase of 148 over the preceding year.

Mexico

Economic Conditions

Business in Mexico was quieter in August than it had been for several months. This lull was partly seasonal and partly due to high prices, low stocks, and other factors. Fixed ceiling prices and competition in foodstuff lines by the regulating agency complicated the situation for both wholesalers and retailers. Imported goods of all kinds were in light supply and prices were high.

Border trade continued at satisfactory levels, as did the tourist business in Mexico City, and spending by the chicle gatherers in Merida, Yucatan, helped to sustain sales in that region. On the other hand, trade was relatively poor in the port areas on both the Atlantic and Pacific sides, Manzanillo reporting sales off 30 percent compared with earlier months and Tampico recording a low volume of retail business.

FOREIGN TRADE

Mexico's foreign trade during the first half of 1943 increased in total value over that of the corresponding period of 1942. Greater volume of exports accounted for most of the gain, the excess of the value of exports over imports being substantially greater than in the first half of 1942. Since April 1943, imports have shown a strengthening trend, but in no month of the year have they been greater in value than exports. During the first half of this year exports averaged more than 100,000,000 pesos monthly, but that average is expected to fall off during the third quarter because of seasonal slackness and other difficulties.

Foreign trade during August continued to be chiefly with the United States. The export movement of the more important bulk materials was well maintained, with the exception of such items as coffee, istle, livestock, and lumber. The suspension of shipments of shellfish, winter vegetables, and other seasonal products also affected the export movement to some extent. Lumber and leather manufactures moved in smaller volume, as restrictions on exports were

Canada's Shipbuilding: New Activity Successful

During the 20 years before the war Canada built not one seagoing merchant ship. By mid-August of 1943 a total of 200 freighters had been launched. The 200th ship established two records—it was completed 39 days after its keel was laid, and its hull was constructed in 30 working days. It was launched with two other 10,000-tonners at the same yard.

Freighters delivered, under construction, or on order total more than 300, of which 90 percent are 10,000-ton ships. Roughly one-half of the over-all commitments for shipbuilding in Canada, which total \$1,000,000,000, will be spent on cargo-ship construction. More than 1,500,000 tons of merchant shipping has been delivered.

There are 50,000 workers in the 11 Canadian yards engaged in the cargo-ship program, and the types of ships are: North Sands, a coal burner basically similar to the oil-burning Liberty ship in the United States; Victory, an oil burner, and a 4,700-tonner originally designed for British operation and now modified to meet Canadian operating conditions.

Arrangements are being made to build next year an improved design of cargo ship to be known as the Canadian type, one of the characteristics of which will be its adaptability for either coal or fuel oil.

tightened by the government. However, a decree promulgated in July, which had created a virtual embargo on freight cars for the moving of lumber in an effort to force lumber companies to supply ties to the National Railroads, was rescinded in August.

The export trade in silver jewelry and tableware, characteristic Mexican products, was made subject to severely restrictive control measures during the month by substantially increasing the amount of the export tax collected on these products and, in addition, by imposing a heavy export duty from which these products had previously been exempt. During the latter part of the month, jewelers, silversmiths, and exporters of silver manufactures were forming an association among themselves, which was expected to assist the Mexican Government in carrying out its program of control over this trade.

INDUSTRY

There were no special developments in the industrial situation during August, but the rainy season was responsible for slowing activities in lumbering, mining, and other field work. Shark fishing was seasonally suspended, and the cattle trade was quiet. Textile mills continued to operate at capacity, but stocks of finished goods were accumulating because

of a lack of buyers at prevailing high prices. Some of the smaller mills and knitting factories reduced output as demand slackened. Binder twine and rope plants kept operating at full capacity, as did breweries, flour mills, and mineral reduction plants.

Iron and steel foundries were operated at capacity, and La Consolidada's open hearth furnace at Piedras Negras worked without interruption. At Tampico a 500-ton steel barge was launched, and the salt cooperative in that district began planning property improvements after completing a very satisfactory business year.

PETROLEUM

Oil production in July in the southern zone of Petroleos Mexicanos showed some improvement over June, and this improvement carried over into August. In the northern zone, the Poza Rica, Naranjas, and Panuco fields also bettered their yields during the month ended August 20. Reserve stocks held in fields and at refineries were also reported up.

The situation between Petroleos Mexicanos and its workers became more involved during August. The syndicates were restive under the continued advance in living costs and urged that the workers be given the full wage scale. This matter was reported to be before the Mexican Department of Labor for study and decisions.

MINING

Although affected by seasonal conditions, mining operations held up well during August. Improvements were made in installations and properties were drained. New machinery was installed in the concentrator at Nacozari and construction work continued at plants in the Nacozari-Pilares and Cananea regions. Peak ore production and processing are expected after the end of the rainy season. July shipments of copper ore and concentrates declined from June levels, but bullion, the chief copper export from the Agua Prieta district, moved up slightly.

Manganese production in Lower California was reported as being increased, with prospect of an early output of 3,500 tons a month. Heavy production of graphite was also reported, while copper shipments from that area continued to lag because of the low-grade ores being used.

Coke production was also to be increased by the reopening of ovens at the properties of Mineral de Agujita near Neuva Rosita, Coahuila. Heavier demands for coke from the steel mills now operating or under construction in that region were the reasons for this new activity in coal mining there.

No important interruptions of mining operations by reason of strikes or other labor disturbances were reported during August.

LABOR

An undercurrent of unrest characterized the labor situation in Mexico in August, but there were no direct or serious outbreaks. In Mexico City a 10-day strike against a local electric firm was carried out and settled, and a threat-

ened strike against the telegraph company was avoided through compromise arrangements with the workers. A projected walkout at the power plant at Tuxpango, Veracruz, was avoided by meeting the demands of workers for a pay increase of 15 percent and better food and medical services. At Tampico, a sit-down strike of a few hours' duration was staged by petroleum workers.

AGRICULTURE

Drought conditions and high temperatures continued to prevail in most of the states in the northern part of Mexico. Crops in those regions were in critical condition and losses had occurred. Agua Prieta was the only area in northern Mexico which reported favorable growing weather. In the south, normal weather was reported from the Isthmus of Tehuantepec, but the Yucatan Peninsula was also suffering from a lack of rain.

Cattle shipments from the northern ranges are generally light during the summer months because of poor pasturage, and August was no exception. Pastures near Matamoros and Reynosa were reported in poor condition, and the same was true near Piedras Negras.

Most of Mexico's cotton crop was being harvested in August and indications were for one of the largest on record. Although accurate figures were not available, government and trade sources were forecasting a crop of some 500,000 bales, which would constitute an increase of 46,000 bales over 1942 production. Torreon, the largest single cotton region, was expecting more than 200,000 bales and, although Matamoros had previously estimated a yield of only 28,000 bales because of drought conditions, more recent reports indicated a harvest of some 50,000 bales. Near Nuevo Laredo some damage was reported with the current crop placed at 14,500 bales. The Delicias section of Chihuahua reported 10 percent damage from insects and a production of 40,000 bales. Piedras Negras reported a good cotton year, and the Culiacan region estimated a crop about equal to the 10,000 bales of last year.

Corn production will undoubtedly be seriously affected by prevailing drought conditions, according to reports received from the various growing regions. While it was believed in May and June that production for 1943 would be equal to that of last year, or some 2,350,000 metric tons, one of the largest on record, August forecasts by the Mexican Department of Agriculture indicate a decrease of 15 to 20 percent below that estimate. If the unfavorable weather continues, the crop may be still smaller, and Mexico will have to look for outside sources of supply to meet domestic requirements.

The wheat picture remained unchanged. According to government estimates, this year's production will be some 40 percent below the 500,000 metric tons estimated for the last crop year. On this basis, the government agency handling the distribution of wheat stated that a total of some 260,000 metric tons will have to be imported during the coming crop year.

Sugar production as previously reported has been revised downward

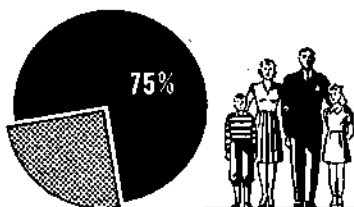
from 480,000 to 412,000 metric tons, with domestic consumption placed at 435,000 metric tons. Mexico will therefore have to import sugar to fill domestic requirements. It is understood that arrangements have already been made to import about 7,000 metric tons from El Salvador. New measures further restricting the exportation of products containing sugar were under consideration in August (subsequently promulgated on September 23, 1943) until ample reserves of sugar could be built up in the country.

Banana shipments from Tabasco have been increasing monthly since January and, although the amounts exported from that state constitute only about one-fifth of total monthly exports, pro-

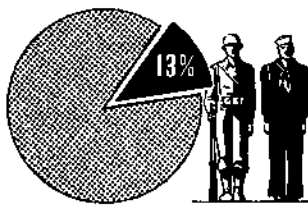
duction in Tabasco has been steadily rising. In the Cordoba region of Veracruz, new interest was being shown in the growing of Cavendish bananas, which are less subject to the sigatoka disease. Mangoes were still plentiful in August, but the season was drawing to a close. Watermelons and other melons were available, but only in small quantities.

The bean crop was reported considerably damaged because of the dry conditions prevailing in most parts of the country. Beans are usually grown with corn, and when one is affected by lack of moisture, the other also suffers. Jalisco estimated that 40 percent of the crop would be lost. Garbanzo (chickpea) production in Sinaloa may be as much as 40 percent under that of 1942. The attempted production of cabbage near Ensenada and Tijuana in Lower California has been far below expectations both in quality and quantity.

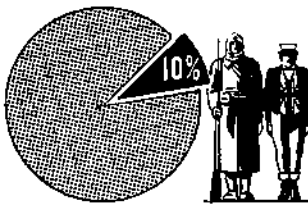
WHERE OUR FOOD GOES



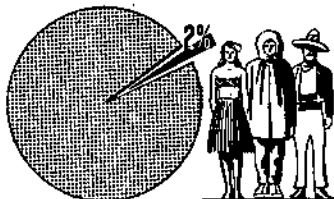
75% TO CIVILIANS



13% TO OUR ARMED FORCES



10% TO OUR ALLIES



2% TO TERRITORIES & NEIGHBORS

Tariffs and Trade Controls

New Sugar Program Increases National Sugar Reserve and Continues Export Prohibition on Sugar Products.—A new program to intensify sugar production in Mexico has been instituted, which requires the Consortium to increase the national sugar reserve from 40,000 to 60,000 metric tons and to raise that amount to 80,000 tons as soon as domestic production will permit or whenever necessary to insure adequate control of the domestic sugar market, by an executive decree, published and effective September 23, 1943. The decree further provides that, until the new reserve has been built up, the export prohibition on sirups, caramels, sweets, chocolates, and other products containing sugar will remain in force, except in those cases in which it can be proved that the products for export have been manufactured from sugar specifically imported for that purpose.

Among other provisions, the decree requires the formulation of a plan to finance new cane plantings and to stimulate those in existence in order to increase the domestic production of sugar to an annual minimum of 500,000 metric tons (from a recent estimate of 435,000 metric tons), and the establishment of cane supply zones in accordance with the capacity of the mills serving the respective producing regions.

[For previous announcements of the establishment of the Consortium and of the export prohibition on sugar products depending on the national reserve, see FOREIGN COMMERCE WEEKLY of April 3, and July 10, 1943, respectively.]

Paraguay

Tariffs and Trade Controls

Increased Customs Surtax and Other Tariff Changes Affect Wide Range of Merchandise.—An increase in the general customs surtax of Paraguay from 7 percent to 15 percent ad valorem, increases in the basic import duty rates on 28 tariff items covering textiles and manufactures of cotton and textiles of linen, hemp, jute, and like materials, and nu-

merous other changes were made in the Paraguayan customs tariff by two decrees (Nos. 19360 and 19361) dated August 12, 1943. One of the decrees repeals the import-consumption tax of 10 percent of the import duty that was applied on all imported dutiable merchandise not subject to an excise tax.

As an exemption to the new customs' surtax of 15 percent ad valorem, the following articles will pay a surtax of 8 percent ad valorem: Onions; potatoes; wheat flour; wheat; salt; mineral oils, rectified or refined, such as petroleum, gas, paraffin oil, kerosene and similar; gasoline, naphtha, benzine and similar distillates; sulphur; sodium carbonate, soda Solvay, or nitrate for industry, impure sulphate and hydrate (caustic soda), and commercial potash; and soda ash and silicate. Formerly these were all subject to a customs surtax of 7 percent ad valorem. Apparatus and machinery for agriculture, and unsalable samples without commercial value, which were formerly duty free, but subject to a customs surtax of 5.5 percent ad valorem, are now exempt from both duty and surtax.

The temporary reductions of import duties and exemptions from customs surtax affecting a wide range of products, which were originally established for a 3-month period expiring May 27, 1941, and subsequently extended for additional periods, the latest of which was to expire on December 31, 1942, are continued until the end of 1943, by one of the new decrees, and the President of Paraguay is authorized to extend these reductions, totally or partially for a further period of 1 year if the reasons for their establishment continue to exist.

One of the decrees provides that one-half of the import duties, surtaxes and fines, as well as slings and warehousing charges of inland customhouses and all other charges and taxes on imports will be collected at the rate of exchange set by the Bank of the Republic for commercial transactions and the other half

at the official exchange rate established by the Ministry of Finance. The Customs Administration is authorized to fix the average exchange rate, based on the two rates mentioned, so as to facilitate the calculation of import duties.

[See Commerce Reports of July 23, 1938, for notice of establishment of the import-consumption tax which is now repealed; and FOREIGN COMMERCE WEEKLY of April 19, 1941, for notice of temporary reductions of import duties on wide range of products, which are continued by the present decrees.]

Spain

Tariffs and Trade Controls

Exports of Almonds and Filberts Again Permitted.—Exports from Spain of almonds, filberts, and their oils were authorized, under license, by an order of the Ministry of Industry and Commerce dated July 12, 1943, and presumably effective immediately. This order also establishes conditions under which exports may be effected.

During recent years the exportation of these products has been generally prohibited.

Switzerland

Transport and Communication

Railway Receipts Increased, 1942.—The Swiss Federal Railways report that in 1942, for the first time since the war, operating expenses increased more than receipts. Receipts for 1941 were 455,000,000 francs, and for 1942, 468,000,000 francs, or an increase of 13,000,000 francs; expenditures totaled 288,000,000 francs in 1942, compared with 260,000,000 francs in 1941.

Receipts from passenger traffic reached a record total of 177,000,000 francs, or 9 percent above 1941, while passenger traffic jumped to a high of 159,000,000 francs, a 15,000,000 increase over the 1941 figures.

For the first time since 1938, freight traffic decreased, dropping 908,000 tons to a total of 22,400,000 tons. Receipts were 276,000,000 francs and operating surplus amounted to 2,500,000 francs, compared with 18,500,000 in 1941.

Short-Wave Broadcasts.—The short-wave station at Schwarzenbourg, Switzerland, is one of the most active of Swiss broadcasting services, press reports from that country state.

The principal function of the short-wave station is to furnish information on Swiss life, aims, history, and culture to countries which cannot be reached by medium wave or in which the Swiss national languages are not understood.

Ordinarily, about one-third of a program is devoted to news, lectures, or reports, and about two-thirds to music. The short-wave service supplies only the

announcements and spoken parts; musical portions are rebroadcasts of programs originating in various national stations.

Programs are transmitted daily to other European countries; every night except Saturday and Sunday to North and South America; twice weekly to the Far East and Australia; and once a week to Africa.

Inland Shipping.—Rivers, lakes, and canals in Switzerland are being utilized by 364 power boats, including 55 paddle-wheel steamers, 51 steamers with propellers, 37 motorboats, and 14 freight barges.

Inland shipping in Switzerland, prior to the war, carried annually approximately 6,000,000 passengers and 200,000 tons of freight. The number of passengers carried in 1940 dropped one-fourth, while the amount of freight was only 10 percent of the pre-war amount.

Tanganyika

Exchange and Finance

Railway Revenues and Expenditures Higher.—The 1942 annual financial statement of the Tanganyika Railways shows total revenue derived from railways and ports of £1,116,000 and expenditures of £920,000, an increase of 33 and 24 percent, respectively, over 1941 figures.

Rail charges on goods afforded £638,000, or 67 percent of the railways' earnings of £954,000.

Expenditure on railways alone totaled £778,000, of which £276,000 represented debt charges, £100,000 a renewals contribution, and £94,000 expenses under the heading of way and works.

Revenue and expenditure for the succeeding 3 months through March 31 amounted to £294,000 and £278,000, respectively, both being considerably in excess of similar figures for the first quarter of 1942. Revenue from the railways alone totaled £254,600 while revenue from ports, including wharves and marine income, amounted to £39,700 for the period January to March 1943.

Transport and Communication

Railway and Ports Advisory Bodies Consolidated.—An advisory body, the Tanganyika Railway and Ports Council, has been constituted by the Governor of the Territory, according to a notice in the Gazette of August 13. The new Council which replaces both the Railway Advisory Council and the Ports Advisory Committee, is under the chairmanship of the Financial Secretary and consists of one senior government official (the Director of Agricultural Production) and six nonofficial members.

The Council is empowered to make recommendations to the Governor upon any matter concerning the administration of the railways, including the ports Services.

The general manager of the railways, who is not a council member, is to refer to the Council all matters dealing with substantial rate changes, plans for development, changes in the operating staff and legislative bills on administration, and estimates of revenue and expenditure.

Lend-Lease Business and Companies' "Foreign Departments"

In a recent survey, the Foreign Credit Interchange Bureau of the National Association of Credit Men asked this question of the 215 members participating: "Does your Foreign Department receive any credit for Lend-Lease sales made by your company: all—part—or none?"

Of the companies that replied to this query (50 failing to do so), 33 percent reported that *all* Lend-Lease business is credited to their Foreign Departments; 21 percent reported that *part* of their Lend-Lease sales is credited to their Foreign Departments; while 46 percent replied that *none* of the business of that character is credited to the Foreign Department.

Wartime Ingenuity
Is Already Shaping
Peacetime Miracles

Union of South Africa

Economic Conditions

A commission, appointed by the South African Government to inquire into and report on the cost of distribution of essential household requirements, began its sessions in August. It will seek to determine the most efficient and economically sound method of distributing goods and services to the local consumer, whether the distribution of certain commodities should be rationalized, and whether the existing system of control of private enterprise should be maintained or extended. Another matter to be inquired into is the service rendered by different classes of distributors, especially the margins of profit received by the various distributor groups. This Cost of Distribution Commission has power to order any supplier, producer, manufacturer, or dealer to furnish information to it by producing books, records, or documents, relating to services rendered.

Statistics recently released indicate that in June the cost of living index declined for the first time in several months. The price of vegetables rose, but this rise was more than offset by a decrease in other food prices, especially eggs. Prices of textiles, clothing, boots and shoes, however, as well as medicinal and toilet requisites, rose somewhat.

AGRICULTURE

Cold weather accompanied by snow caused stock losses in the Transvaal and Orange Free State during August. There was a shortage of butter and meat. Many people, both farmers and city dwellers, are investing their surplus capital in livestock, attracted both by the high prices which meat brings and the fact that the tax laws permit investments in sheep and cattle to be offset against income.

It is estimated that there will be a surplus of 1,000,000 pockets (a pocket averages 30 pounds) of the crop of 4,500,000 pockets of Valencia oranges now being harvested. The Department of Social Welfare has arranged to buy this surplus from the Citrus Fruit Board at 1 shilling a pocket. These oranges will be sold for the same price to school boards, natives, and others who might not otherwise be able to acquire them.

A record wheat crop of at least 2,500,000 bags (of 200 pounds) is expected in the Orange Free State. Last year, only 700,000 bags were harvested. This crop is especially remarkable, as the Free State lies in the summer rainfall area where the absence of winter rain makes wheat growing a hazardous undertaking.

GOLD PRODUCTION

Gold production for July, 1,089,708 fine ounces, valued at £9,153,547, showed an increase of 25,136 ounces in weight and £211,142 in value over that for June. Despite this gain the gold output in the January-July period of 1943 remains at

about 14.5 percent below that for the first half of 1942. Native labor on the Rand continues to decrease.

MOTOR-VEHICLE RESTRICTIONS

The new South African National Road Transportation Council has decided to impose a curfew on public motor transport to conserve the life of the vehicle, as no new vehicles are being imported and there is a scarcity of parts. It is proposed to stop service each day at 10 o'clock p. m. It was expected that this curfew would go into effect the first of October.

The appointment of a trade commissioner from India has been recently announced. He is to be attached to the office of the High Commissioner for India in South Africa, and his main duty will be to promote trade, especially in textiles.

Uruguay

Wartime Commodity Controls

Raw and Used Rubber: Sales Restricted; Declaration of Stocks Required.—Sales of raw rubber and rubber goods, except used rubber, were prohibited in Uruguay, and the declaration of stocks of raw rubber as well as of old and new tires destined for sale, was required by a decree of August 16, 1943, published in the Uruguayan Diario Oficial of August 23.

Manufacturing establishments employing raw rubber as a primary material were required to declare the total amount of articles containing rubber manufactured in 1941, 1942, and the first half of 1943, giving the type and quantity of articles produced and the weight of raw rubber used, the percentage of raw rubber entering into each type of item; declaring also their actual stock of both manufactured articles and raw rubber.

The Direction of Industries is to distribute all imports of rubber on a pro rata basis among local manufacturers, in accordance with the actual need for the various articles produced, and manufacturers must furnish a monthly report to the Direction of Industries of the articles manufactured from the rubber thus provided. Certificates of necessity must be obtained for the sale of tires and tubes.

The Direction of Industries is to draw up for the approval of the Executive a list of rubber articles which it is considered expedient to ration, and the National Subsistence Committee will establish the sales price of the rationed goods.

Domestic Apples: Maximum Sales Prices Established in Uruguay.—Sales prices in the Department of Montevideo for apples of domestic production were



fixed at from 16 to 55 centesimos per kilogram from wholesaler to retailer, and from 20 to 72 centesimos per kilogram from retailer to the public, by a decree of September 14, 1943, published in the Uruguayan Diario Oficial of September 20.

Prices of domestic apples in the other departments of Uruguay will be based on the Montevideo prices, plus cost of transportation.

Wheat: Maximum Sales Price Established.—The sales price in Montevideo for the wheat that was bought by the Bank of the Republic for account and order of the Uruguayan Government was fixed at 7.50 pesos per 100 kilograms by a decree of August 10, 1943, published in the Diario Oficial of August 21.

The sales price of wheat outside Montevideo will be established on the basis of the above figure, plus cost of transportation.

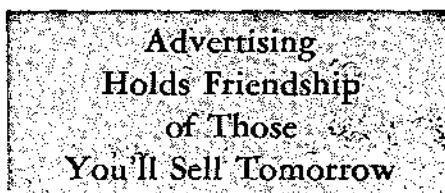
[For previous announcements relative to trade controls affecting wheat, see FOREIGN COMMERCE WEEKLY issues of April 17, May 22, and September 4, 1943.]

Beef Fats: Sales Prices Modified.—The sales prices established in Uruguay for beef fats by the decree of July 20 were modified by a decree of August 14, 1943, published in the Uruguayan Diario Oficial of August 21, as follows: From packing plant to wholesaler the price ranges from 0.24 to 0.29 peso per kilogram in casks and is 0.74 peso per 2.175 kilogram can; from wholesaler to retailer the price ranges from 0.26 to 0.36 peso per kilogram and is 0.82 peso per can; and from retailer to the public the price ranges from 0.30 to 0.36 peso per kilogram and is 0.95 peso per can.

[For announcement of the decree of July 20, see FOREIGN COMMERCE WEEKLY of September 4, 1943.]

Powdered Eggs: Manufacture Prohibited.—The manufacture in Uruguay of powdered eggs, except under authority from the Ministry of Industries and Labor, was prohibited by a decree of September 15, 1943, published in the

(Continued on p. 42)



News by COMMODITIES

Beverages

PORTUGAL'S WINE CROP

The current vintages of all Portuguese wines are reported to be good, despite the excessive drought during the summer.

An official notice emanating from the Port Wine Institute has fixed 40,000 pipes of 550 liters each (1 liter=1.0567 quarts) as the maximum to be treated at the forthcoming vintage and has fixed 950\$00 escudos as the minimum price per pipe. An additional 10,000 pipes may be authorized later with the restriction that it be treated with brandy obtained from the 1943 vintage at a higher price than that now prevailing for existing supplies. Current quotations for port wine must are 1400\$00 escudos per pipe.

Chemicals

BRITISH FIRM TO MANUFACTURE AMINO-PLASTIC MATERIALS IN AUSTRALIA

Licenses to manufacture aminoplastic materials in Australia have been granted to Imperial Chemical Industries, London, a British trade publication reports.

The patents are controlled by British Industrial Plastics in the United Kingdom and Europe.

OXYGEN FACTORY TO BE ESTABLISHED IN COLOMBIA

A new factory is to be established soon in Medellin, Colombia, for the production of oxygen, Colombian press reports state.

A Swiss company will erect the plant and will also supply the machinery. The necessary capital, reported at 200,000 pesos, is to be subscribed by both Swiss and Colombian interests.

It is expected that the new plant will produce for export as well as for domestic needs.

CHEMICAL LABORATORY TO BE ESTABLISHED IN INDIA

The new National Chemical Laboratory of India will be established in Poona, a British technical publication reports.

Inasmuch as a substantial sum was given by Tata & Sons toward its construction and equipment, this firm's name will be associated with the laboratory and buildings. Indian Wire & Steel Products, Ltd., also contributed to the project.

CARBON-DIOXIDE GAS MANUFACTURED IN PORT ELIZABETH, SOUTH AFRICA

Carbon-dioxide gas, produced by a chemical factory in Port Elizabeth, South Africa, is furnished to ships calling at that port for repairs to their refrigeration systems and also to the armed forces for military purposes.

A range of chemical products—from disinfectants to special solvents—is manufactured by the same company. The solvents are used by a local tire factory, and chemical materials are supplied to several oil companies and a dry-battery plant.

Coal and Peat

COAL PRODUCTION TO BE INCREASED IN NORTH CHINA

In addition to the 30,000,000 tons of coal produced annually by the mines in Tatum, China, the Japanese expect production in north China to increase to at least 14,400,000 metric tons. This plan calls for output of 4,500,000 tons from Poshan, 4,400,000 tons from Chung-hsing, 2,300,000 tons from Tsinsing, 1,300,000 tons from Tzehsien, and 1,900,000 tons from Taiyuan.

Setting aside 7,970,000 tons for local

consumption and 2,330,000 tons for shipment to central and south China, the remainder of the total 44,400,000 tons is to be shipped to Japan. Since the purpose of increased production is to achieve larger shipments to Japan, the amounts assigned for consumption in China are to be reduced in the event of decreased production.

COAL PRODUCTION, NOVA SCOTIA, CANADA

Coal production in Nova Scotia, Canada, dropped to 3,634,925 tons in the first 7 months of 1943 from the 4,436,531 tons reported for the corresponding period of 1942.

Seventy-five percent of the coal produced in Nova Scotia comes from the Cape Breton collieries of the Dominion Coal Co. In the first 8 months of 1943 these collieries produced 2,124,570 tons, representing a 20-percent drop from output in the comparable period of the preceding year.

INCREASED PEAT SUPPLIES AVAILABLE IN EIRE

Although there has been no indication of a change in the rationing or price of peat in Dublin, Eire, the foreign press states that increased supplies are available. Production of the Turf Development Board has been limited to little more than that of last year, but supplies from other sources are better. More peat cutters than ever before were on the bogs during the late spring and summer, but heavy rains after the peat was cut reduced its quality.

COAL PROSPECTING, EIRE

Coal prospecting is to be conducted at Gortia and Farnlough, County Tyrone, Eire, by an English company under a lease for which negotiations are now practically complete.

MEXICAN COAL DEPOSITS INCORPORATED INTO NATIONAL MINING RESERVES

Deposits of anthracite and bituminous coal throughout Mexico are incorporated into the National Mining Reserves by a declaration of the Minister of National Economy, signed August 31, 1943.

The aim is to increase production, regulate output and distribution, discover new sources, and avoid monopolies.

COAL RESOURCES OF SCOTLAND, U. K. STUDIED

A potential coal output in southeastern Scotland of 30,000,000 tons a year for at least 200 years is reported by the foreign press as a finding of a commission appointed by the Government to look into the future of Scotland's coal fields. Mining engineers and surveyors have reported valuable seams in Lothian, Fife, and Clackmannan, with the richest seams in East Fife and Clackmannan, from Leven to many miles below the Firth of Forth. An inevitable shift from the west to the east is indicated.

Silk (Say Nazis) May Be New Holland Product

As part of their program for de-industrialization of the occupied countries of Europe and converting them into gigantic sources of raw materials for the "master race," German authorities are attempting to glorify the possibilities of silk culture in the Netherlands. The Nazi radio station of Hilversum reported recently that "many persons have taken up the culture of silk as a hobby" and offered the additional information that tests in recent years have "proved there is a great future for silk culture in Holland."

The Netherlands Silk Culture Association in Naarden and the "Holland" Textile Factory at Enschede are prepared to give full information to interested parties, the broadcaster said. He added that the factory is prepared to instruct those wishing to take up silk culture in their spare time and to supply eggs and mulberry bushes for feeding the worms. The market price for 1,200 cocoons, weighing 1 kilogram, is 15 guilders (approximately \$8).

"Silk will always have a great value, regardless of the trade cycle," the Hilversum broadcaster concluded. "It may, therefore, well become a great Dutch home industry, now that a special variety of mulberry bush has been cultivated which stands up against the northern climate."

FUEL RATIONING IN SWITZERLAND

All domestic solid fuels, including coal, peat, and firewood, are rationed in Switzerland. An exception is made in the use of wood by owners of wood lots or woodworking factories.

Coal and lignite are being reserved for industrial purposes, and no coal is being allotted this year for the heating of homes.

Special regulations are to be issued for the use of sawdust.

Construction

PUNTA ARENAS, CHILE, CONTEMPLATING CONSTRUCTION OF NEW WATER SYSTEM

The municipal government of the city of Punta Arenas in southern Chile is contemplating a study to ascertain the cost of building a new water system and of changing the source of supply. The present system was established in 1912, and, though the city has grown in population from 10,000 to 30,000, no alterations have been made except to extend the supply mains.

CONSTRUCTION IN BUDAPEST, HUNGARY

In the first quarter of 1943, 103 construction permits for private apartment houses were granted in Budapest, Hungary, compared with 177 during the corresponding period in 1942. Including other construction licenses, 360 permits were granted, compared with 555 in the first quarter of 1942. The number of special construction permits for building on which work had been started was reduced from 60 to 33.

During the first 3 months of 1943, a total of 1,118 new flats (2,634 rooms) were completed, compared with 1,550 flats (3,101 rooms) in the corresponding months in 1942, states the Nazi press. During the first 6 months of the year, 925 apartment buildings and 114 houses were completed; also 99 dwellings of one or more stories.

To meet the shortage of housing for unmarried workers, a hotel to house 500 employees has been built by a leading industrial enterprise. Each dormitory has 8 beds and is supplied with showers and electrical appliances for the convenience of residents.

Until further notice, the Nazi press states, no permits will be granted for private buildings, except those damaged by the elements or badly in need of repair.

Electrical
Machinery and
Equipment

RURAL-ELECTRIFICATION PROGRAM CONTEMPLATED BY EIRE

The Government of Eire is considering the enactment of legislation to enable the Electricity Supply Board (a semiofficial organization responsible for the sale and distribution of electricity

Cinchona: New Source in East Africa

After Java fell into Axis hands, the Allies decided to conduct research regarding the fitness of British East Africa as a source of quinine. To work all the possibilities most effectively, an organization in that country was created to act as a permanent production center for all the British African colonies, and financial assistance toward the research was given through the Colonies Welfare and Development Fund.

Greatest potential sources of cinchona within the British African domains are Nigeria in West Africa and Kenya, Uganda, and Tanganyika in East Africa.

When the East Indies fell, meager supplies of cinchona seed of an extremely virile type were flown to Australia, and some of these are now in East Africa.

A new, accelerated method of cinchona growing, originated by the Russians, may be used in the African set-up. Instead of waiting 3 or 4 years, and sometimes 7, for thinning and pruning as has been customary in the past, Soviet workmen grow the cinchona close together and then harvest the entire plant when it is 1 or 2 years old. Because of differences in climate, some changes in this plan may be necessary in Africa.

throughout Eire) to undertake a 10-year program of rural electrification at an estimated cost of between £20,000,000 and £30,000,000.

It is reported that the Government has requested the board to prepare plans at this time, so that work may be started simultaneously in as many areas as possible when the necessary legislation is enacted and materials become available.

The number of consumers of electricity has increased greatly in Eire since 1930, when the total was only 48,606. By 1940 the number had risen to 172,545, and by 1943 to 210,475.

INDIA'S IMPORTS DECREASE IN VALUE

India's imports of electrical equipment were lower in value for the fiscal year from April 1, 1942, through March 31, 1943, than for the preceding 12 months, the foreign press says.

Imports of electrical machinery were valued at 23,624,000 rupees in 1941-42 and at 20,370,000 rupees in 1942-43. Electrical instruments received during the two periods were valued at 24,009,000 and 16,320,000 rupees, respectively.

HYDROELECTRIC PLANT TO BE BUILT IN MEXICO

A new hydroelectric plant is to be built in the State of Veracruz, Mexico, to serve communities within a radius of 100 kilometers of Tomata, the foreign press reports. The cost is estimated at \$615,000.

PRODUCTION IN SPAIN

A Spanish trade journal recently made a survey of the electrical-manufacturing industries in that country and reported that there are now 544 enterprises with capital of 375,000,000 pesetas.

The following table shows the number of firms engaged in manufacturing various types of apparatus, capitalization of each class, and production in 1942:

Types of apparatus	Firms	Capital	Production
	Number	Pesetas	Pesetas
Machinery, transformers, and apparatus of control and measure....	200	117,000,000	124,000,000
Batteries.....	25	20,000,000	31,000,000
Telecommunication.....	160	82,000,000	143,000,000
Lamps.....	34	30,000,000	77,000,000
Conductors, insulating tubes, minor electrical material and other material for installations.....	125	126,000,000	128,000,000
Total.....	544	375,000,000	503,000,000

Complete data covering the raw-material requirements of the industry are not available. It is stated, however, that annual needs include 3,000 tons of black sheet, 7,500 tons of copper, 6,000 tons of magnetic sheet, 3,500 tons of lead, 1,000 tons of brass, 250 tons of aluminum, and 90 tons of antimony.

Existing facilities are adequate to supply more than present needs of medium-size and small transformers, generators, and motors. Actual production of motors is equal to only about 60 percent of requirements, however, and output of transformers to about 40 percent. Last year, 38,500 motors of more than 1½ horsepower were made and 16,500 of less than 1½ horsepower. Output of transformers amounted to 1,900 with capacity of 125,000 kilowatts.

The industry is equipped to manufacture all kinds of meters, except a few special types, and has sufficient capacity to meet the country's normal annual requirements of 150,000. At present, however, there is a deficit of about 600,000 as a result of war conditions.

Medium- and low-tension apparatus can be produced in fairly large quantities, but there are no facilities for making high-tension articles. Most laboratory apparatus is imported, and the industry is not yet capable of meeting national needs for measuring devices.

The battery and storage-battery industry is in a position not only to supply the domestic market, but also to export some goods. Exports of storage batteries are rather large, but could be greater if more raw materials could be obtained and production increased accordingly. Last year, total output was only about 50 percent of normal capacity.

The number of light bulbs produced in 1942 was reported as 26,014,250—a substantial improvement over the preceding year's total of 18,918,077. Demand for light bulbs has increased greatly since the Spanish Civil War. This may be traced to a decrease in production and exhaustion of existing stocks during and immediately following the war, the shorter life of lamps recently manufactured (because of inferior quality of raw

Peru Now Domesticates the Vicuña, Source of Fine Wool

The vicuña, a rare animal of the high Andes prized for its fine wool, is being domesticated in Peru, says the Office of the Coordinator of Inter-American Affairs. More than 300 animals have been established on a hacienda near Puno in the Peruvian plateau region. President Manuel Prado, in a recent message to the Peruvian Congress, told of the successful domestication of the vicuña.

The vicuña is the smallest and rarest of a New World family of animals related to the camel. Other members of this family are the llama, the domesticated beast of burden of the Andes; the alpaca, a smaller member of the family which produces the alpaca wool of commerce; and the guanaco. The guanaco has never been domesticated. It is found in its wild state as far south as the Straits of Magellan. It is believed to be the animal from which the other three members of the family were derived.

The vicuña is a small, gazelle-like animal, about 2 feet high at the shoulder, whose habitat is the upper valleys of the Andes, ranging from 14,000 to 16,000 feet above sea level. It has a coat of remarkably fine wool, said to be the softest of any known animal fiber. The wool is tan on the back, ranging to white on the under side of the animal.

The vicuña has been hunted almost to extinction. So the governments of Peru and Bolivia enacted stringent laws to protect it. Only a small percentage of the male animals can be shot each year.

Now that the efforts to domesticate the vicuña have met with success, it is believed that they will multiply more rapidly. The animal is hardy. The domesticated animals can be sheared like sheep, and it is no longer necessary to destroy the animal to get the wool.

In 1941 Peru exported about 900 pounds of vicuña wool, at the wholesale price of about \$3 a pound. Practically all of this wool is sold by the Peruvian Government to a New York firm, which makes it into cloth and garments for those who can afford them. A vicuña overcoat costs from \$350 to \$400.

materials), and increased use of electricity for lighting.

It is believed that bulb output could be raised to 40,000,000 without additional facilities.

The capacity of the radio branch of the industry is large enough to supply the market, but, as in the case of other types of apparatus, raw-material shortages prevent maximum operation. Estimated annual need is 130,000 sets, but only 45,000 were made last year. Few tubes are made in Spain and it is difficult to import them.

Some broadcasting equipment is made and practically all the telephone material used is from local factories.

Manufacture of sound film and electro medicinal equipment is acquiring greater importance, but is still in the development stage.

Lack of copper is hampering the production of uncovered electrical conductors, and shortages of rubber and lead, in addition to copper, are seriously affecting output of insulated conductors.

Last year, 2,000,000 meters of insulating tubing was manufactured. This was not enough to meet the needs of the national market, but it is estimated that this branch of the industry, if operating at capacity, could produce twice the quantity normally required for home consumption.

Apparatus for electrical heating, as well as miscellaneous material for installations in general, is supplied domestically. Resistance coils are not produced in Spain, however, and it is difficult to import as many as are wanted.

Use of electric refrigerators and refrigerating machinery is expanding, and the manufacture of these types of equipment is becoming more important.

STEAM CENTRAL TO BE CONSTRUCTED IN TERUEL, SPAIN

Construction of a steam central in Teruel, Spain, by the Eléctricas Reunidas de Zaragoza S. A. has been authorized by the General Administration of Industry in Madrid. The initial capacity of the plant will be 10,000 kilowatts, but this will later be increased to 40,000.

It is expected that approximately 7 years will be required for completion of the project. Boilers and turbogenerators for the production of 10,000 kilowatts are to be in operation by September 1945; equipment for the generation of another 10,000 kilowatts by September 1947; and equipment necessary to bring the capacity of the plant up to 40,000 kilowatts by September 1950.

PROGRESS OF CONSTRUCTION OF HYDROELECTRIC STATION IN SOUTH AFRICA

The Chairman of the Electricity Commission of South Africa has stated, according to the foreign press, that it may be possible to put the large hydroelectric station under construction on the Vaal River into partial operation toward the end of 1943. The principal concern of the station will be to supply power to the Witwaters Rand gold mines, towns, and industries.

When this project was started in 1939, the initial installation of 108,000 kilo-

watts was scheduled for completion by 1941, but the work has been delayed considerably because of the war.

Foodstuffs and Allied Products

FOOD-CROP ACREAGE INCREASED IN EIRE

An over-all tillage increase in Eire of 30,000 acres is indicated for 1943 by a preliminary estimate of the Department of Industry and Commerce, based on returns from 25 percent of the electrical divisions of the country.

The most outstanding increase is in the acreage planted to sugar beets—82,000 acres, or an increase of about 50 percent over the area planted in 1942.

Other gains are recorded in the area planted to barley, which totaled 211,800 acres, or an increase of 13.7 percent over the preceding year, and oats at 938,200 acres, or an increase of 6.9 percent.

Estimated areas sown to the principal food crops in 1943, as compared with 1942, are as follows:

[In acres]

Item	1942	1943
Corn.....	1,645,900	1,662,400
Wheat.....	574,700	506,900
Oats.....	877,800	938,200
Barley.....	186,200	211,800
Potatoes.....	425,500	405,100
Turnips.....	146,400	141,600
Mangels.....	83,600	83,500
Sugar beets.....	54,900	82,600

Prices for wheat, barley, and oats of the 1943 harvest, which have been fixed by the Emergency Powers (Cereals) Order made by the Minister for Agriculture, are the same as those for 1942, except that this year there is no maximum price for oats. Last year it was 25 shillings and 8 pence per barrel of 196 pounds.

The price for 1943 harvest wheat in Eire, bought from growers for milling, ranges from 47 to 50 shillings a barrel (280 pounds). The price of barley is fixed at 35 shillings a barrel (224 pounds), and the minimum price for oats is 21 shillings a barrel (196 pounds).

EUROPEAN CROP PROSPECTS

Crop prospects throughout continental Europe are good this year, according to the *Axis* press. An article published August 20 stated that while it was too early to report regarding the over-all European harvest, results in general were believed better than last year. Favorable weather and efforts on the part of several countries to intensify cultivation were important factors in the increase in crops.

Germany is expected to realize a good average crop of cereals. In the future, preference is to be given to autumn sowings which have decreased somewhat as a result of weather and the war, but which ordinarily yield larger harvests than spring sowings. It is believed that the crop of oleaginous plants will also be satisfactory both in quality and in quantity.

Wartime
Shortcuts and Savings will
Pay Profits After the Victory

France is making efforts to increase production and has mobilized both citizens and agricultural machinery. An area of 300,000 hectares (1 hectare=2.471 acres) has been sown in wheat and in addition, cultivation of oleaginous plants, sugar beets, vegetables, and potatoes has been increased. The fight against potato parasites is being carried on and, although some damage has been caused by dryness in many regions of France, it is practically certain that this year's yield will be better than last. The grape crop is said to be particularly good.

It is hoped that Belgium's wheat requirements will be covered for the coming year. The cultivation of potatoes and oleaginous plants has been increased.

Since 1940, the cultivation of wheat in the Netherlands has increased by 25 percent, potatoes by 70 percent, and vegetables by 38 percent. Crop prospects in general are good.

Among the northern countries, Denmark expects a satisfactory crop and even contemplates possible exportations. In Norway, which depends largely on imports, many grazing lands have been sown with a view to bettering the provisioning situation.

Because of dryness, it was necessary to replot winter sowings in the Ukraine, and carry out new plantings. This was accomplished in sufficient time, however, to expect fair returns.

Dairy Products

BUTTER PRODUCTION, NOVA SCOTIA, CANADA

Production of creamery butter in Nova Scotia totaled 1,034,666 pounds in June and 1,048,391 pounds in July, the latter figure being an all-time record. Both months were ahead of the corresponding months of last year, July showing an advance of about 18 percent.

Pastures in Nova Scotia reportedly were in excellent condition through the summer, and milk production was high.

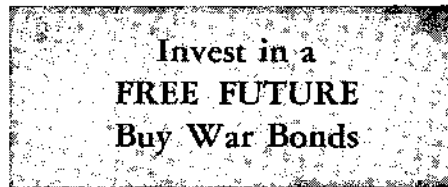
Output of creamery butter in the first 7 months of 1943 amounted to 4,606,906 pounds, almost 15 percent above the corresponding period of 1942, when 4,013,480 pounds were produced.

BUTTER SITUATION IN EIRE

Present butter stocks in Eire reportedly are reasonably satisfactory, but more economy in the use of creamery butter during the next few months is essential to insure maintenance of the weekly ration of one-half pound per person throughout the winter, according to a foreign press item.

Monthly butter consumption in Eire is now about 5,376,000 pounds, which is about 250,000 pounds more than was originally considered as a surplus for use during the peak production period.

Production is said to be somewhat higher than in the corresponding period of last year, however, and the Government hopes that the quantity needed for the winter reserve may be secured. To attain this end, the Government has issued orders that butter may not be served in restaurants, cafes, and similar eating places, at meals consisting of



two or more courses and including meat or fish and a vegetable. The menu must show the words: "It is illegal to serve butter at luncheons and dinners."

Only hotels and restaurants registered with the Department of Supplies are eligible for permits to purchase butter and should any of these violate the order their permits will be withdrawn and proceedings will be taken against them.

Fish and Products

FISHING INDUSTRY IN THE MARITIME PROVINCES, CANADA

The Atlantic fisheries of Canada showed great seasonal improvement in June and July and fish were reported unusually plentiful. The Eastern Fisheries Division reports that 74,646,700 pounds of fish, valued at \$3,094,950, were landed in the Maritime Provinces in June, compared with 63,736,500 pounds, valued at \$2,075,440, in June 1942. The catch of lobsters—7,027,600 pounds, valued at \$1,212,912—increased by 887,200 pounds and \$513,268 over June of last year. An advance of 4,787,700 pounds and \$101,807 was registered in the catch of mackerel which totaled 12,283,100 pounds valued at \$314,155.

The haddock catch increased 1,179,100 pounds and \$155,640 and catches and value of salmon, herring, and pollock also rose. The catches of sardines and hake decreased compared with June 1942.

For July, the report shows a total catch of 87,981,800 pounds of fish with a landed value of \$2,417,828, which was 16,404,700 pounds and \$820,411 more than in July 1942. Cod landings, when compared with July 1942, increased by 7,909,200 pounds and the landed value increased by \$336,037; the catch of sardines in-

creased by 6,494,000 pounds and the landed value by \$121,731. Hake registered a decrease in catch of 2,624,800 pounds but the landed value increased by \$44,621, and herring showed a decrease in catch of 158,600 pounds but an increase in value of \$27,421. Lobsters, which were out of season in most areas, showed an increase in catch over last year of 124,900 pounds and \$49,741.

An indication of the condition of the fishing industry in the Maritime Provinces in 1942 is given in a preliminary report of the Dominion Bureau of Statistics for that year. According to this report, the value of fisheries output in Prince Edward Island in 1942 was \$1,639,539 compared with \$952,026 in 1941. The lobster fishery, which provided 51 percent of the total production, had a marketed value in 1942 of \$837,272. Second in importance was the hake fishery with an output valued at \$291,523, or about 18 percent of the whole.

Fruits and Nuts

FRUIT CROPS IN ONTARIO, CANADA

Weather conditions have been generally favorable to apple production in Western Ontario, Canada, and late in August commercial production was estimated at 373,000 barrels, an increase of 10 percent over earlier estimates, and a 7 percent increase over 1942 totals.

The cherry crop in Ontario amounted to only 102,500 bushels or 61 percent less than last year. Grapes are estimated at 28,150 tons, a 22 percent decrease from 1942. Vineyards are reported to be in good condition. The peach crop now shows an estimated decrease of 75 percent from that of last year, and 5 percent less than the July estimate. The pear crop is estimated at 282,100 bushels, a 31 percent decrease from the 1942 crop. Plums represent a 43 percent decrease from the yield in 1942.

In Eastern Ontario, weather and moisture conditions have been favorable to apples since August, but cherries yielded only 57 percent of last year's

Ukrainian "Pea-Shrub" Seed: New Source of Food?

In the Germans' efforts to promote the cultivation of plants of importance to the Ukrainian provisioning economy (before the present Soviet Ukraine-cleansing drive) they were making use of the so-called pea shrub. An axis press item states that the pea shrub has a seed the nutritious content of which is only slightly inferior to that of the soybean.

The pea shrub, a woody plant, is related to the bean family and is normally the size of a hazelnut shrub. The Soviets originally cultivated this plant to use it as a protective wall for preventing erosions and protecting slopes from landslides. Last year further experiments reportedly showed that this plant could be important in provisioning the Ukraine, as the seeds contain a high percentage of fat, albumen, and starch. Tests made with the plant by public kitchens have been successful, and the Russian people to whom this plant formerly was unknown as a food ingredient have found it to their liking.

The yellow acaciailike blossoms of the pea shrub have a high-quality honey content. It is a perennial, which flowers in its fourth or fifth year.

Special conditions determine the height of the shrub in the Ukraine; its widespread roots help to hold the soil on slopes and ravines. When the seed ripens, suddenly, the husks open and the seeds fall out, but this year (according to Nazi plans) the sprigs of the pea shrub were to be cut off along with the husks and passed through a threshing machine.

crop. The sizing of pears is below normal and only 35 percent of last year's crop is expected, while the yield of plums is estimated at only 25 percent of that of 1942.

PORTUGAL'S ALMOND-CROP PROSPECTS

Almond production in Portugal this year is not expected to reach the volume it did in 1942. About the middle of February, the southern portions of the country, in which the largest quantities of almonds are produced, experienced storms and strong winds that destroyed a part of the blossoms. In the Douro River region in the north, however, ideal climatic conditions prevailed in the blossoming season.

Stocks on hand, estimated as low as 10 to 20 metric tons in late August 1942, were estimated to be 400 tons in the corresponding month this year. For the past several months the market has been poor because of the uncertainty of conditions in Europe and especially to the unwillingness of the exporters to accept orders from Germany. As a consequence, stocks have remained high and prices have fallen. Shelled almonds of the best quality are currently quoted at from 30 to 32 escudos per kilogram in contrast to a price of 40 escudos a year ago.

Estimates of the almond crop in the Algarve district average 3,000 metric tons "em casca" (in the shell) which is roughly convertible into from 600 to 700 tons "em miolo" (shelled). In the northern district the crop is expected to be almost twice that of last year, when the estimate was 1,500 tons of almonds in the shell. Thus, production of shelled almonds in this region may be expected

to reach about 500 tons, based upon a crop of 2,500 tons of nuts in the shell.

The total 1943 crop is thus estimated at 5,500 metric tons of almonds in the shell and from 1,100 to 1,200 tons shelled. Added to stocks on hand, there should be about 1,600 tons of shelled almonds available, of which Portugal's share for the domestic market amounts to about 300 tons.

SPANISH RAISIN CROP

Production estimates of Spanish raisins vary at this time because of varying estimates of damage to grapes in several growing areas, especially in the western coastal region. It is believed, however, that the 1943 Muscatel raisin crop will be from 300,000 to 350,000 boxes of 10 kilograms each, or about the same as last year's crop. There is no carry-over from last year's crop.

Last season's production is said to have been disappointing from every point of view. Prices were excessively high and resulted in a great decline in domestic consumption. There were no exports in 1942, and toward the end of the year the unsold portion of the crop was unusually large. The raisins were rapidly deteriorating in quality when practically all the usable stocks were exported to Sweden and Switzerland under barter arrangements, at a heavy cut in prices—part of which the growers and processors had to share.

Trade estimates for the 1943 Valencia raisin crop of Spain are about the same as last year, or approximately 5,000 metric tons. Growers claim the crop is of good quality despite this year's dry weather conditions.

All surplus stocks of Spanish raisins have been exhausted, and the Govern-

ment has not as yet authorized the export of this year's crop.

Prices are said to be under discussion in Madrid, but have not been fixed. It is expected by dealers that prices will be around 250 pesetas per 50 kilograms.

Grain and Products

CHILE'S WHEAT ACREAGE

Approximately 829,136 hectares (1 hectare=2.471 acres) were sown to wheat in Chile in the 1943-44 crop year, according to the first official estimate of the Chilean Ministry of Agriculture. This indicates a gain of 11 percent over acreage in 1942-43, when only 747,294 hectares were sown to wheat.

The Institute of Agricultural Economy, in cooperation with the Ministry of Agriculture, has carried on an extensive campaign to induce farmers to sow larger areas of their land to wheat this year and thereby return the country to a position of self-sufficiency in the production of this breadstuff.

The present wheat-acreage figures are the highest since 1934-35, when 857,996 hectares were sown.

FLOUR MILL ESTABLISHED IN COSTA RICA

The Empresa Harinera Nacional, Ltda., San Jose, the first flour mill to be established in Costa Rica, was officially inaugurated in September 1943. It began operations with hard spring wheat imported from the United States. Under its recently registered trade-mark "Oro," the company is now offering wheat flour, flour for the manufacture of black bread, wheat tips for poultry feed, and bran. Although the mill's price for wheat flour is slightly below the official ceiling price, it is still above the price at which imported flour is being offered currently because of the fear that the large stocks which have accumulated will deteriorate.

One of the major incentives to the establishment of a flour mill in Costa Rica was to provide a source of supply for bran which is essential to the livestock industry. Bran is being offered by the new mill at \$7 per 100 pounds without bag. This compares favorably with the current quotation of \$8 for rice bran, a less desirable product, and is below the price of imported bran.

Meats and Products

EIRE RESUMES CANNED-MEAT PRODUCTION

It is reported that 10 firms in Eire engaged in the production of canned meat and employing 1,200 workers are to resume export to the United Kingdom. Before the close of the season on March 31, 1944, it is expected that these firms will ship to the United Kingdom about 22,500,000 pounds of canned beef valued at more than £1,250,000 sterling.

This canning of beef for export makes raw materials available for a number of important domestic industries. It provides hides for tanning and some materials for soap making, as well as an additional supply of pressed tongue now in considerable demand because of the shortage of bacon and ham.

Musical-Instrument Manufacture in Mexico: Opportunities for New Enterprises?

Although Mexicans are proverbially a music-loving people, there is at present almost no music industry in their country. With the exception of native instruments, such as home-made fiddles, guitars, tom-toms, flutes, and fifes, practically all musical instruments are imported (notes the Mexican-American Review). In 1941 Mexico's purchases of such instruments, including phonographs and radios, amounted to 8,540,000 pesos. Now, with the supply from Europe cut off and only a limited number available from the United States, it seems to be an auspicious time to begin the manufacture of all such musical instruments as are in demand there.

Those who are conversant with the radio industry, particularly, are convinced that the time is now opportune for some one with capital to invest to start the manufacture of radios in Mexico. There are still some 50 radio stores operating in the Federal District, and many more throughout the country, but stocks are difficult to obtain, and the present business consists in selling reconditioned sets.

The making of phonograph records has proved highly profitable in Mexico. One branch of an American corporation, started in Mexico City 8 years ago, operates to capacity with a night and day shift.

The "juke-box" business, previous to the war, amounted annually to more than \$1,200,000, says the Mexican-American Review. The machines were made in the United States, and were sold at \$2,000 each, on the installment plan.

The Revolution ruined the piano trade which had flourished up to that time.

The guitar is the most popular small instrument in Mexico. The best of these instruments come from Valencia, Spain, and cost between 500 and 1,000 pesos. Thousands of guitars are made in Mexico, but many of these are of low grade.

MEAT CONSUMPTION IN SWITZERLAND

An average of 79 pounds of meat per person was consumed in Switzerland in 1942, or 22 pounds less than in 1941. Of this amount, 35 pounds were beef and 24 pounds pork.

Consumption of canned fish and shellfish decreased from 4 pounds in 1941 to 3.3 pounds in 1942, while that of fresh fish increased from 1 to 2 pounds.

A reduction occurred in the consumption of poultry from 3 pounds to about 1 pound during 1942, and about 7 pounds of unrationed meat were consumed per person.

*Poultry and Products***POULTRY, EGGS, AND BUTTER IN FRENCH MOROCCO**

French Morocco is noted for its production of poultry and eggs, and figures do not vary much from year to year.

Native butter production has remained stationary over a period of years, although the production of butter by European dairymen is growing.

The average production of poultry in the years 1934 to 1942 was 30,000,000 a year. The average number of eggs produced in these years was 500,000,000 annually. Butter production, expressed in quintals (1 quintal=220.46 pounds), was as follows: Average 1934-1939, European 300 and native 1,000; 1940, European and native each 1,000; 1941, European 1,100, native 1,000; and 1942, European 1,140, native 1,000.

*Sugars and Products***DECREASE IN AUSTRALIAN SUGAR PRODUCTION**

Sugar production in Australia for the year ended June 30, 1943, amounted to 605,296 tons, according to the foreign press. This was the lowest figure in the past decade.

In the peak year 1939, output was 891,422 tons, and in 1940 and 1941, the totals were 759,446 and 696,815 tons, respectively.

Favorable climatic conditions in the sugar belt in 1939 are believed to be the principal reason for the large production that year. The Australian Sugar Producers' Association, however, considers that less favorable conditions in subsequent years have been of only secondary importance in the declining output. Major factors have been shortage of labor and fertilizers.

DOMINICAN REPUBLIC SUGAR PRODUCTION

Sugar production in the Dominican Republic amounted to approximately 1,723 short tons in August 1943, according to the Dominican Sugar Institute.

With the termination of operations of the two small sugar mills in the Republic early in September, all grinding by Dominican sugar producers ceased for the 1942-43 season. Present activity consists only of exports and local sales from stocks now on hand.

During August, the last of the 1942 sugar crop and more than 24,251 short tons of the 1943 crop were exported, leaving approximately 424,614 tons on hand as of August 31, 1943.

"Cellufix": Sweden's Newly Developed Adhesive

A new adhesive—"Cellufix"—has recently appeared on the Swedish market. This material, developed at the laboratory of the Svartvik sulfite mill (Svenska Cellulosa A/B.), is not a substitute, reports state, but a chemical-technical product not previously made in Sweden. Domestic requirements for such material have been supplied in the past by imports from Germany of methyl and ethyl cellulose, cellulose glycolate, and similar products.

"Cellufix" is described as both colorless and odorless and is said to be soluble in water at almost any temperature. Another important property claimed for this product is its ability to form a clear, homogeneous, viscose solution even when mixed with a large quantity of water. When dry, it becomes a clear, transparent film resembling gelatine.

Many uses have been demonstrated for "Cellufix." Tests have shown that 75 to 80 rolls of wallpaper can be pasted with 1 kilogram of the material. When mixed with wood flour and gypsum, it becomes a suitable filler, and it can also be used in producing glue paint. It has been employed in the textile industry to manufacture a printing paste to replace gum tragacanth and it also makes a thinner for washing compounds. Dissolved in water, "Cellufix" has been a satisfactory substitute for oil in some cases.

Two types of this compound are produced. "Cellufix" proper is a dry, white material, while "Cellugel," manufactured as a gelatinous substance, is a more highly refined form of "Cellufix" and is said to bind twice as much water.

"Cellugel" is intended primarily for the food industry. It binds sugar in the same way as glucose, which makes it of interest to caterers; it is reported to have been employed successfully in the manufacture of marmalade and to have served as a butter substitute. "Cellugel" is also claimed to have possibilities in the cosmetic industry.

Considerable interest has been shown in "Cellufix," and it is expected that production eventually will make Sweden self-sufficient in this commodity. The Svartvik plant has a capacity of 1 metric ton per day, or 350 metric tons annually.

More than 25,000,000 U. S. gallons of blackstrap molasses remain on hand in the Dominican Republic, of which about 14,000,000 gallons represent the carry-over from the 1942 crop. Final statistics are not yet available on the exact amount of molasses "ditched" from the 1943 crop, but preliminary figures indicate a loss of more than 3,000,000 gallons. Sugar producers are hopeful that at least a portion of the molasses now on hand may be moved before the end of the year.

*Spices and Related Products***GINGER AND CHILI-PEPPER EXPORTS FROM SIERRA LEONE**

Exports of ginger from Sierra Leone to the United Kingdom in July 1943, amounted to 172,480 pounds. No chili peppers were exported. In the same month, 6,720 pounds of ginger were sent by rail to Freetown.

About 110,880 pounds of ginger and 10,326 pounds of chili peppers were ready for shipment in July 1943.

*Vegetables and Products***NEW PLANT PROCESSING SOYBEANS IN YUGOSLAVIA**

A modern, well-equipped plant for the processing of soybeans into food products has been constructed in "Serbia," Yugoslavia, according to the Axis press. The concern, which is believed to be the first of its kind in the country, is allegedly directed by one of Serbia's outstanding economic experts.

The factory is planning to initiate a night shift so that increasing demand for soybean products may be met.

The plant has a daily capacity of 6,000 liters of foodstuffs (1 liter=0.908 dry

quart and 1.0567 liquid quarts) such as soybean milk and soybean flour. Hospitals and social-service institutions are now being supplied with the factory's output.

*Glass and Products***LIMESTONE GLASS MANUFACTURED IN CANADA**

A Manitoba glass factory is said to be the first in the world to manufacture electrically melted limestone glass. All raw materials used in manufacturing and packaging are obtained in Canada, except sand, which is imported from the United States at the rate of 8 tons daily.

GLASS MANUFACTURE EXPANDED IN SWEDEN

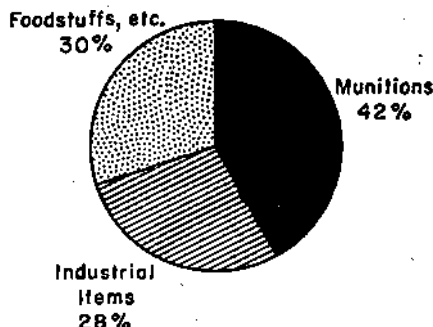
A plan for the expansion of the window-glass factory of the Oxelosund Iron Works at Oxelosund, Sweden, from its present capacity of 240,000 cases to 500,000 cases is reported by the foreign press. Four other manufacturers of window glass are listed in the Swedish Industrial Directory, but 70 percent of the total output comes from the Oxelosund plant.

All wire glass used in Sweden is imported, but the Oxelosund company is planning a factory that will have an annual production capacity of 100,000 square meters of wire glass. A glass-grinding plant for window glass in dimensions up to 2.5 by 1.1 meters is another project included in the company's construction program, the total cost of which is estimated at 6,000,000 crowns.

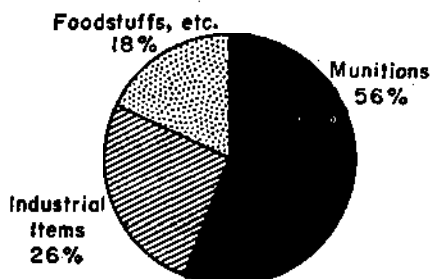
The Swedish press calls attention to Germany's interest in bringing the Swedish glass industry into an organization

KINDS OF GOODS EXPORTED UNDER LEND-LEASE

JULY 1941 - JUNE 1942



JULY 1942 - JUNE 1943



of the European glass industry, which now includes the glass manufacturers of Germany, Belgium, France, Italy, and the Balkans.

Hardware

INDIA'S IMPORTS DECREASE IN VALUE

The value of hardware imported by India in the 12-month period ended March 31, 1943, was approximately 50 percent lower than for the preceding year, a foreign trade journal reports. Hardware imports were valued at 21,842,000 rupees in 1941-42 and at 10,053,000 rupees in 1942-43.

Leather and Related Products

Leather and Manufactures

SWEDEN TO USE SUBSTITUTE LEATHER

Substitute leather was to have been placed on the Swedish market at the end of August, according to press reports. The Bofors product made of leather waste and nitrocellulose seemed likely to be the first one ready. Production of this substitute is expected to be adequate to cover normal consumption of sole leather for repair of shoes. Experiments are being made with a few other substitutes including a thiokol type of synthetic rubber.

Women's and children's wooden-soled shoes with light textile uppers, many brightly colored, were produced in considerable number during the summer season. There was a good demand for these shoes, which were ration free.

As of June 3, 1943, rubber footwear can be purchased for half the regular

point value if an old pair of rubber shoes, rubber boots, or rubbers is delivered in exchange.

LEATHER SHORTAGE IN BRITAIN ACUTE

The leather shortage has become so acute in Great Britain that the footwear industry has been forced to consider a heavy temporary cut in production. Some factories may even have to close for a few months.

Wooden soles will be used for 40 percent of the women's shoes manufactured and 60 percent of the men's shoes. Production of children's footwear is now taking precedence over production of that for adults.

Hides and Skins

SWITZERLAND'S TANNING INDUSTRY SLOW

Scarcity of raw materials continued to prevent full-scale employment in Switzerland's tanning industry during the first quarter of 1943. Owing to lack of imports, production was limited almost entirely to domestic hides and skins. A substantial decrease in slaughterings during the spring caused a further reduction of supplies.

Tanning Materials

ROMANIA GATHERS SUMAC FOR TANNIC ACID

Arrangements for large-scale gathering of sumac leaves have been made by Rumania's Bureau of Forests, states the Nazi press. It is expected that about

4,000,000 kilograms of dried sumac leaves, which contain 25 percent tannic acid, will be obtained for use of tanneries throughout the country.

Lumber and Products

COSTA RICAN PRODUCTION OF BALSA WOOD

Portable sawmills are being installed in Costa Rica to increase balsa-wood production, the foreign press reports, and other facilities for stepping up balsa output also have been expanded. The yield is expected to prove an important addition to the supply from Ecuador.

INDIA'S TEAK PLANTATIONS ENLARGED

Considerable progress has been made in India in establishing and maintaining teak plantations, states an Indian publication.

An eventual shortage of natural teak is expected, and, to guard against a lack of this important timber, plantation teak has been raised on an increasing scale. Plantations were started in Madras as early as 1842 and have repaid many times their original cost. Since then, plantings have been made in all the Provinces, except the Punjab and Sind, and in a number of States. All India now has more than 200,000 acres of teak plantations, and additions are being made at the rate of 6,000 acres annually.

BALSA-WOOD INDUSTRY IN ECUADOR

Ecuador's balsa-wood industry operated at normal levels in July. Exports for that month, and also for the first 6 months of 1943, showed a considerable increase over the corresponding period of 1942.

INDIAN TEA CHESTS MADE FROM PLYWOOD

Experiments have been conducted by the Forest Research Institute of India, Dehra Dun, to determine the suitability of domestic timbers for the manufacture of plywood tea chests, the Indian press announces.

A tea chest must withstand severe handling and must provide protection against moisture and other conditions that would impair the quality of the contents. Chests made from 19 different varieties of Indian woods have been tested so far.

Approximately 350,000,000 pounds of tea are exported from India annually. This amount, together with local consumption, requires about 5,000,000 chests each year.

SWITZERLAND CUTS MORE TREES FOR FUEL

Cantons were requested by the Swiss Government to increase timber fellings in order to provide additional fuel supplies. The shortage of coal will make it necessary to cut 200 percent of the normal supply, it is stated.

UNITED KINGDOM IMPORTS MORE TIMBER FROM AFRICA

More timber will be received in the United Kingdom soon from British West Africa, the English press reports. In ad-

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dition to the usual shipments of mahogany for the Admiralty, sawn timber from Gold Coast Government sawmills is being taken by the Ministry of Supply.

Machinery, Other Than Electrical

ARGENTINA'S FARM-MACHINERY IMPORTS

Argentina's imports of agricultural machinery, with the exception of mowers, have declined steadily since 1938, according to a foreign trade publication.

Some light implements, such as horse-drawn plows and cultivators, are manufactured locally and some heavy machinery is assembled in Argentina, but the bulk of the agricultural equipment used is normally imported from Canada or the United States.

Quantities of major types of farm equipment imported from 1938 through 1942 are shown in the following table:

[Number]					
Item	1938	1939	1940	1941	1942
Plows:					
Walking	8,481	3,120	1,930	523	389
Gang and sulky	11,661	3,077	2,790	146	67
Not specified	115	118	123	nil	1
Fanning mills	375	135	150	nil	1
Mowers, including lawn	1,663	1,590	1,045	1,055	2,208
Combines	3,212	2,342	1,098	60	nil
Corn shellers, large	4	2	1	7	nil
Seeders, hand and plow	2,222	601	332	nil	100
Grain drills	12,866	3,739	1,312	134	61
Rollers, vineyard	1,064	863	454	197	214
Binders and headers	3,016	2,126	1,596	208	149
Thrashers	138	181	3	1	nil
Harrow	7,890	3,607	1,670	234	10
Horse rakes	2,229	663	380	86	20
Tractors, wheel	5,041	1,070	934	366	98

Imports of plow repair parts and several types of equipment were reported by weight rather than number. These were as follows:

[In hundredweight]					
Item	1938	1939	1940	1941	1942
Plowshares:					
Unfinished	232	115	78	4	6
Finished	45,029	13,465	16,016	5,313	6,449
Plow repairs	50,600	17,358	15,445	7,443	3,946
Corn-shellers	6,362	2,895	2,267	1,168	952
Hay-presses	8,542	2,264	1,554	1,212	242
Harrow teeth	7,674	6,158	2,788	38	10

FARM IMPLEMENT ASSEMBLY PLANT IN "CROATIA," YUGOSLAVIA

A large plant is being completed in "Croatia," Yugoslavia for use in assembling various types of farm implements and machinery. Approximately 20,000,000 kunas (nominally about \$400,000) have been allocated for this project, the Nazi press claims.

Since 1941, large sums have reportedly been spent in "Croatia" for the construction and operation of a training school for farm workers. The facilities of the school include special grounds for testing machines and implements to ascertain which types are best suited to the needs of the country.

Medicinals and Crude Drugs

WILD PLANT OF BULGARIA USED AS MEDICINE

It has been announced that the wild plant, podubiche, grown in certain areas of Bulgaria, is valuable in treating malaria and dysentery. The Director of the Royal Institute of Natural Science declares that the plant is a remedy for malaria, particularly tertian and quartan fevers, as well as for infantile diarrhea and for dysentery among adults. For

malaria, the leaves are boiled to make a strong tea; for dysentery, the entire plant, including roots and leaves, is boiled in the same way.

GERMANY REQUIRES SPECIAL PERMITS FOR SERUMS

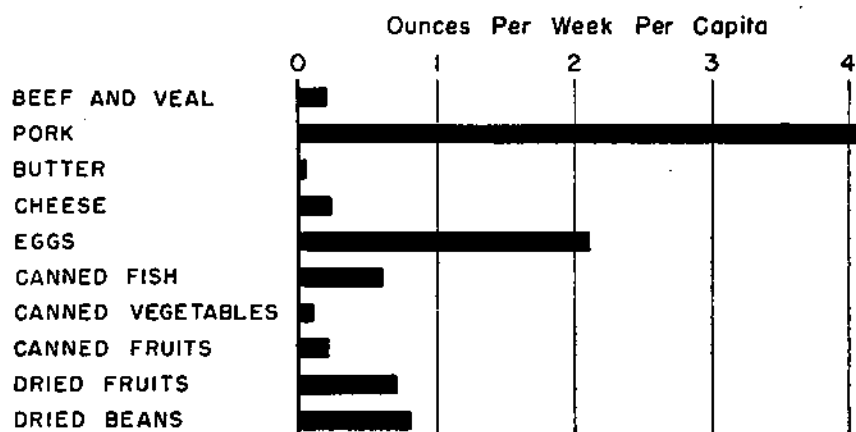
A doctor's prescription is not enough to get concentrated diphtheria serums from German druggists, states a foreign drug and chemical magazine. Only by special permit can the patients secure the remedy. Less-concentrated serums, however, are more plentiful.

INDIA DECREASES DRUG IMPORTS

The value of drugs and medicines imported into India dropped sharply from

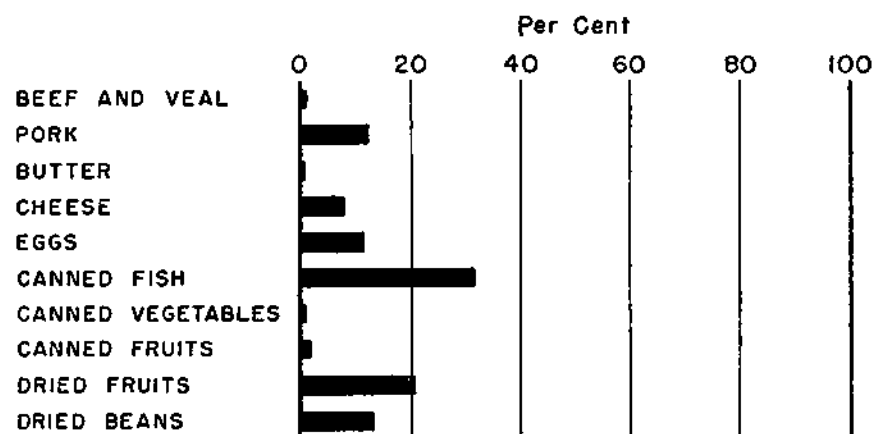
AMOUNT OF FOOD EXPORTED UNDER LEND-LEASE PER CAPITA OF U.S. POPULATION

JANUARY - JUNE 1943



LEND-LEASE FOOD EXPORTS IN PER CENT OF SUPPLY

JANUARY - JUNE 1943



27,776,000 rupees in 1941-42 to 14,704,000 rupees in 1942-43, a decrease of 47 per cent.

CANADA APPROVES PLANTS FOR MAKING PENICILLIN

The Canadian Government has approved the expenditure necessary to establish plants for penicillin production in Montreal and Toronto. The appropriation provides also for production of the first 26,000,000,000 units required by the Dominion's armed forces, a British newspaper reports.

FRANCE FACES DRUG SHORTAGE

A drug shortage exists in France, according to a Paris newspaper. Supplies of sugar, alcohol, and sirups are extremely meager. Quantities of bismuth, caffeine, cinchona, iodides, tincture of iodine, lanolin, castor oil, quinine, soft and liquid paraffins, and sodium and potassium salts are limited. The size of gauze bandages has been reduced, and cellulose wool has largely replaced absorbent cotton wool. Surgical spirits may not be sold without medical prescription.

Motion Pictures and Equipment

BOX-OFFICE RECEIPTS RISING IN ARGENTINA

Box-office receipts of motion-picture theaters in Buenos Aires, Argentina, in the first 6 months of 1943 totaled 12,821,656 pesos, an increase of approximately 1,500,000 pesos over receipts in the corresponding months of 1942.

It is estimated that receipts in the city of Buenos Aires represent about one-half the total for the entire country.

The following table gives comparative statistics pertaining to theater operations in the first 6 months of 1942 and 1943.

Buenos Aires theater operations	First 6 months—	
	1942	1943
Highest number of theaters operating on any one day	176	177
Total number of performances given	58,456	61,144
Total number of paid admissions	13,350,838	15,407,704
Total box-office receipts (pesos)	11,325,689.50	12,821,656.31
Average paid admissions per performance	229	262
Average admission price per performance (pesos)	0.85	0.83

MOBILE-UNIT PICTURES IN BRITISH EAST AFRICA

A mobile motion-picture unit in Kenya, recently presented 85 performances in 96 days, the African press reports. It was estimated that the audiences totaled about 148,000.

AMERICAN FILMS POPULAR IN SPANISH NORTH AFRICA

United States motion-picture films are preferred in Spanish North Africa, even though all those now being exhibited were made before 1939. There is no domestic production, and it is estimated that about 60 percent of the films imported are from the United States, 25 percent from Spain, and 15 percent from France, Great Britain, Germany, and Italy, taken together.

Imports from the United States and Spain include features, travelogues, documentaries, and cartoons; only features are received from the other countries. At present, no news reels except Spanish may be shown.

There are 27 motion-picture theaters, with total seating capacity of 17,645, in Spanish North Africa. Annual attendance is reported to be about 3,000,000.

Nonferrous Metals

TIN PRODUCTION IN BELGIAN CONGO INCREASED

Tin production in the Belgian Congo has been estimated at 20,000 tons in 1943, at 31,000 tons in 1944, and at 35,000 tons in 1945, according to the foreign press. Attention is called to the increase from 1939 production of 14,000 tons. Belgian Congo is now the sixth tin-producing country in the world.

INDIA'S TRADE IN METALS

India's imports of wrought copper dropped in value from 12,517,000 rupees in 1941-42 (the year runs April 1 to March 30) to 10,140,000 rupees in 1942-43, the foreign press reports.

The value of exports of manganese ore decreased from 24,632,000 rupees in 1941-42 to 19,062,000 rupees in 1942-43.

NICARAGUA'S EXPORTS OF GOLD AND SILVER

Gold and silver exported from Nicaragua in July 1943 was valued at U. S. \$631,391, which was approximately 14 percent less than the \$733,466 reported for June and a decrease of about 25 percent from the \$837,581 reported for July 1942.

During the first half of 1943 the total value of gold and silver exports was \$4,055,698, compared with a value of \$4,065,892 in the first 6 months of 1942.

Nonmetallic Minerals

ARABIA NEEDS SHIPPING SPACE FOR SALT

The restricted markets for the salt that is produced in Aden, Arabia, would be adequate to support the industry if shipping space could be found. Shipped in the crude form in which it is extracted from the pans, this salt cargo is cheap and bulky; some is carried as ballast. Salt production continues, however, as drying tanks deteriorate when not in use.

INDIA'S SALT IMPORTS DECREASED

The value of salt imports into India are reported by the foreign press at 8,872,000 rupees in the fiscal year March 1, 1942, to April 30, 1943, a decrease from 9,802,000 rupees in the comparable period of the previous year.

Oils and Oilseeds

ARGENTINE WHALE OIL SOLD TO U. S. AND U. K.

An Argentine company, one of two concerns engaged in whale fishing off the island of South Georgia, lying east of Tierra del Fuego, has released figures describing the catch during the September 1942 to March 1943 season. About 50,960 barrels of oil valued at 254,800 pounds sterling were produced from 998 whales—68 whales less than the number taken in the previous season.

Whale guano, a mixture of meat meal and bone meal used for fertilizer, was the only other product obtained in commercial quantities by this firm. An estimated value of 64,800 pounds sterling was placed on the 54,000,000 kilograms of this whale commodity obtained.

All stocks of whale oil, seal oil, and guano byproducts of this company were sold to the United States and the United Kingdom.

BRAZILIAN DECREE ISSUED RE COTTONSEED CAKE AND MEAL

According to a decree from the Brazilian Office of the Coordinator of Economic Mobilization, the shortage of freight cars is not a valid reason for canceling the monthly quotas of cottonseed cake and meal for agricultural-livestock purposes if the purchases of those byproducts have been made during a previously established period.

CANADA'S OIL-BEARING SEED HARVESTS

Planted areas devoted to soybeans in Canada covered less than two-thirds of the objective of 90,000 acres, says a British publication.

About 1,000 farmers in the Prairie Provinces of Canada planted 28,267 acres of sunflower seed in 1943. The rapeseed crop in the same region amounted to 3,212 acres. No other sun-



flower seed was cultivated, but more than 800 acres of rapeseed were grown in other Canadian fields. The combined yield of the sunflower and rape seeds may reach 10,000 tons.

CANADA HAS NEW PLANT FOR CRUSHING SEEDS

Since a new crushing plant has been opened at Hamilton, Ontario, it is thought that approximately 6,000,000 bushels of oil-bearing seeds can be crushed in Canada this year if round-the-clock operations are maintained during the crushing season.

CANADA TO OPEN FLAX-CRUSHING PLANT

Sufficient equipment has been assembled, announces the Saskatchewan Industrial Development Board, to warrant the opening soon of a flax-crushing plant in Saskatoon, the initial capacity of which will be about 500 gallons daily.

CANADIAN FLAXSEED PRICES HIGH—ACREAGE INCREASED

The Canadian Wheat Board announced in September that during the 1943-44 season it would pay \$2.50 per bushel for No. 1 c. w. flaxseed delivered at Fort William-Port Arthur or Vancouver. The price was also fixed at \$2.46 for No. 2, and \$2.37 for No. 3, but the rest of the grade prices were still undetermined. Last year's rates were \$2.25 for No. 1 flaxseed; \$2.21 for No. 2; and \$2.10 for No. 3.

The estimated flaxseed acreage in Canada is 2,768,000, which is about 90 percent greater than that of last year and 10 percent more than this year's objective. The yield, however, may be adversely affected by rust.

INDIA'S TRADE IN OILCAKES AND OILSEED

The value of India's export trade in oilcakes, castorseed, and rapeseed for the 1942-43 year was somewhat greater than that of 1941-42, according to reports in an official foreign publication. The value of linseed exports, however, fell from 39,998,000 rupees last year to 31,008,000 rupees this year.

SPANISH OIL STOCKS AND EXPORTS

The edible olive-oil yield of the harvest season in Spain that began late in 1941 is recorded at 380,000 metric tons, which is about 50,000 metric tons more than the 1926-1935 average production. The following year the harvest amounted to 191,769 metric tons, according to the General Commission, or 220,000 metric tons, according to other authorities and non-Spanish observers. The latter source believes that the 1943 crop has excellent prospects and may even exceed the 1941 yield, if untoward seasonal factors do not interfere.

In lieu of an official appraisal, olive-oil producers and exporters of Seville, Spain, have estimated that the production of olive oil from the pressing of the 1943-44 crop will be between 400,000 and 450,000 metric tons.

Stocks of olive oil from the 1942-43 pressing probably will be insufficient to meet domestic requirements before the next pressing. Most of the 30,000-metric-ton total on hand has already

been allocated and sent to its various destinations.

Sulfur-oil production is expected to be one-tenth that of the olive-oil output or about 40,000 metric tons. The supply of sulfur oil on hand is said to be from 10,000 to 12,000 metric tons.

A circular issued by the Comisaria General de Abastecimientos y Transportes of the Ministry of Industry and Commerce in Spain announced that all sulfur oil with an acidity of more than 15 percent will be treated for glycerine.

Paints

UNITED KINGDOM TO RELEASE PAINT FOR CIVILIAN USE

A limited supply of 500,000 gallons of wartime emergency paint will be made available by the Ministry of Public Works to civilian consumers in the United Kingdom for essential repair and maintenance work on private property, the British press announces.

The paint is ready mixed, comes in dark brown only, and will be sold in pint and quart containers. It is intended merely for "exterior patch painting" where the paint film has worn off.

It was necessary to use coal-tar naphtha as the solvent, and the paint, it is stated, may have an unpleasant odor.

Petroleum and Products

ECUADOR'S PETROLEUM PRODUCTION

Production of crude petroleum in Ecuador during the second quarter of 1943 came to 22,037,820 gallons, a drop of 3,200,976 gallons from the previous quarter ended in June 1943 came to 7, over the comparable quarter of 1942.

Petroleum production during the quarter ended in June 1943 came to 7,895,941 gallons as compared with 7,467,742 gallons during the corresponding period of 1942.

KEROSENE SHORTAGE IN HONDURAS ACUTE

The acute kerosene shortage existing in Honduras is particularly serious in view of the fact that many homes are dependent upon either this fuel or candles for lighting. Electric-light service is either unavailable or too expensive for a large percentage of the population.

Radio

RADIO LICENSES IN SWEDEN

The total number of radio licenses in effect in Sweden at the end of June 1943, was 1,670,188, a foreign trade journal states. This number is equivalent to 259 licenses for each 1,000 inhabitants.

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Railway Equipment

SPAIN TRIES OUT NEW-MODEL LOCOMOTIVE

A successful trial run of the new-model locomotive, of wholly national construction, with all parts manufactured in Spain, is reported.

This model, the first of the Santa Fe class to be constructed in Spain, is said by technical observers to be the most powerful locomotive in Europe. It has five coupled axles and three pairs of cylinders. When ready for work the locomotive weighs 140 tons and has a dead weight of 105 tons.

More than 3,000 horsepower was developed in the test. The trial was made on a section presenting difficulties similar to those on the important Madrid-La Coruna line with its steep grades and heavy traffic. The run required 30 minutes pulling 570 tons, compared with the normal "Express" run of 50 minutes, for a trip with a lighter load.

Orders have been placed for 20 locomotives of the new type.

SWISS RAILWAYS CONVERT ENGINES

The Swiss Federal Railways have converted two steam switching engines from coal to electrically produced steam. Two transformers reduce the trolley voltage from 15,000 to 20 volts. The current passes through resistance in two sets of tubes placed on either side of the engine boiler. An electrically propelled pump forces the water from the boiler through the tubes.

While conversion of electric current into driving power is, of course, relatively uneconomical, it was adopted as an experiment because of the scarcity of coal. The steam switching engines fitted with electrically produced steam make it possible to save about 300 tons of valuable coal annually. The engines can be used equally well with electrically produced steam or with coal.

U.S.A.



U. S. Save America Buy War Bonds and Stamps

The fitting up of additional steam engines for the Swiss Federal Railways depends upon ability to obtain construction materials, which are also scarce, and the availability of electrical energy.

Soaps and Toiletries

CHILE EXPORTS LESS SOAPBARK

Exports of quillay soapbark from Chile during 1942 were 1,056 tons, 23 percent less than in the preceding year; a 70-percent decrease was noted during the first half of 1943 compared with the first half of 1942. The United States is one of Chile's greatest markets for quillay, which is used in wartime as a cleanser for precision instruments and lenses and in peacetime as a shampoo base.

There are probably more than 100,000 quillay trees in Chile and most of them are in central and northern regions. At present the industry is receiving little encouragement because of the difficulty of shipping, and the closing of European markets.

SOAP RATION CUT IN EIRE

The soap ration in Eire has recently been cut one-third, from 6 to 4 ounces a month, reports a London trade paper.

UNITED KINGDOM REVISES REGULATIONS ON TOILETRIES

The United Kingdom Board of Trade made new regulations effective in September on toilet preparations. A portion of the order deals with packing and retail sales, but the most significant change is from a quota system to one whereby each registered manufacturer will be licensed individually.

Textiles and Related Products

MOROCCO'S TEXTILE IMPORTS DECREASED

In pre-war years Morocco imported about 20,000 tons of various textiles, but in 1941 only 3,000 tons were received; and in 1942 only 4,800 tons.

Woolen mills produce about 3,600 tons of materials per year, utilizing domestic wool. Recommendations have been made by the Casablanca Chamber of Commerce that surplus wool be sold on the open market.

Cotton and Products

CHANGES IN CHINA'S COTTON INDUSTRY

Shensi Province was almost exclusively an agricultural region until China's industries moved to the interior. The Province is now reported to have five modern cotton mills, with about 70,000 spindles, 80 percent of which are in operation, and also to produce cloth in small villages.

Cotton production in Shensi was approximately 300,000 piculs (1 picul = 133 1/2 pounds) in 1942—one of the lowest crops on record, and the 1943 cotton crop is not expected to exceed that of the preceding year.

MOROCCO EXPANDS COTTON AREA

Cotton cultivation in Morocco has expanded to 3,500 hectares in 1943, from

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an average of only 147 hectares in the years of 1934 to 1938. In 1943 some 900 tons of fiber are expected, but this amount is not nearly sufficient for domestic consumption. Approximately 15,000 hectares of cotton could be grown by planting some of the newly irrigated areas with this crop. The principal variety now cultivated is known as Pima 67, which is said to be comparable in quality to high-grade Egyptian cottons.

PERU'S COTTON YIELD DECREASED

Further downward revisions have been made in estimates of Peru's 1943 cotton crop, which is now expected to total 1,100,000 quintals (of 48 kilograms).

In July of this year, 97,202 quintals of cotton were exported, bringing the total for the first 7 months of the calendar year up to 338,036 quintals, compared with 385,287 quintals in the corresponding period of 1942.

The following table, prepared from published figures, gives an indication of the extent and disposition of Peru's cotton crop in recent years:

[In quintals of 48 kilograms]

Year	Hectares	Production	Exports		Domestic consumption
			Cotton	Linters	
1935	162,058	1,851,630	1,680,848	13,109	140,804
1936	165,630	1,817,701	1,746,966	8,304	141,543
1937	187,021	1,771,691	1,755,897	14,652	144,921
1938	190,792	1,807,053	1,812,283	12,283	136,130
1939	177,483	1,779,826	1,710,777	20,174	160,532
1940	175,600	1,905,050	1,084,883	18,413	170,000
1941	170,000	1,551,178	1,799,478	14,058	210,000
1942	156,284	1,618,414	731,428	8,506	246,217

Cotton mills produced 9,941,115 kilograms of yarn in 1942, and operated 133,694 spindles and 5,612 looms.

Miscellaneous Fibers

ABACA THRIVES IN PANAMA

Abaca has become quickly adapted to its new home in Panama, and an excellent fiber is produced. Present output is about 175,000 pounds of fiber per month, and is expected to increase when some newly-installed extraction machinery is in operation.

Seeds from this high-quality abaca are much in demand, and in June and July of this year 2,519,468 pounds and 3,370,767 pounds, respectively, were shipped to nearby countries.

PERU'S FLAX CROP IMPROVED

Peru's flax growers report that rust inroads on the 1943 crop were not nearly so heavy as on preceding crops.

In July, 417,481 kilograms of fiber were exported, making a total of 1,920,751 kilograms for the first 7 months of the calendar year. No tow shipments were reported in July, therefore, the January through July total remains at 153,929 kilograms.

MOROCCO'S FLAX AND ESPARTO GRASS

Morocco's flax cultivation in 1943 is estimated at 54,900 hectares, compared with 18,560 hectares in 1934 to 1938. Most of this flax is grown for seed rather than fiber.

All exporters of untreated or combed esparto grass, which has long been used in making cloth, cordage, baskets, shoes, and paper, now must make a declaration to the Government, thus bringing exports of this commodity under strict control.

Wearing Apparel

PROBLEMS IN THE SWISS EMBROIDERY INDUSTRY

The Swiss embroidery industry which is dependent to a large extent on foreign markets, continued to operate under difficulties in 1943.

Termination of the Swiss-German trade agreements, price regulations in Sweden, and unstable conditions in Italy and North Africa have adversely affected the already much reduced contacts with those markets. Slight increases were reported in exports to Spain and Portugal in the first quarter of 1943, and shipments to France and Czechoslovakia remained unchanged, but total exports for the period were slightly below those of the preceding quarter, and were approximately 50 percent of those of the first quarter of 1942.

Large quantities of artificial fibers were used in place of dwindling raw-material supplies, and these substitutions tended to reduce embroidery sales on the domestic market.

Tobacco and Related Products

CANADIAN TOBACCO IMPORTS

Tobacco entering Canada for consumption in August 1943, as shown in an unrevised statement issued by the Canadian Department of National Revenue, consisted of 2,483,258 pounds of cut tobacco, 301,607 pounds of plug tobacco, 80,136 pounds of snuff, 919,366,547 cigarettes, 14,241,981 cigars, and 283,107 pounds of Canadian Raw Leaf Tobacco.

Excise taxes were paid on 18,732,548 cigars in August 1943.

IRAN'S YIELD AND USE OF TOBACCO

Iran has 20,199 acres under cultivation in tobacco. The estimated yield for the year ending March 30, 1944, will be: 3,000,000 kilograms of cigarette tobacco, 3,000,000 kilograms of pipe tobacco, and 1,500,000 kilograms of water-pipe tobacco.

Consumption during the current year is expected to come to 3,000,000 kilograms of cigarette tobacco, 5,000,000 kilograms of pipe tobacco, and 2,200,000 kilograms of water-pipe tobacco.

Differences between production and consumption will be taken care of by stocks held by the Tobacco Monopoly from previous crops.

TOBACCO CROP IN RUMANIA SHORT

As a result of a serious drought in Rumania's tobacco-growing regions, the Ministry of Agriculture recommended at

the end of August that all leaves be gathered and cured immediately, states the foreign press. Tobacco stems were also to have been gathered and used according to local instructions.

TURKEY'S TOBACCO YIELD DECREASED

Turkey's 1943 tobacco crop will total about 55,650,000 kilograms, according to the best available estimates late in August from the growing areas. This yield represents a 20 percent decrease from last year's production of 70,000,000 kilograms.

Quality in general was believed to be fairly good but it was still too early for a definite opinion, as the weather is always a deciding factor.

Stocks of American grade tobacco from last year's crop are placed at approximately 7,000,000 kilograms.

SOUTH AFRICA SEEKS TO IMPROVE TOBACCO

Tobacco growers in Southern Rhodesia are receiving suggestions from the Government for improving quality and for training young planters, according to the British press. In South Africa

growers are organizing cooperative groups for the purpose of acquiring improved seeds, fertilizers, and equipment.

"Clipping" in the Ukraine

A collection of horse hair and cattle-tail hair is to be made in the Ukraine, according to the Axis press. The hair is to be delivered to the Ukraine Fiber Co., say the Nazis. All goats are also to be clipped. (That, at least, was the announced Nazi purpose—but present indications point only to the Ukrainian "clipping" of the armed forces of the German Reich.)

Air-express shipments in Cuba during the first 6 months of 1943 registered an increase of over 100 percent as compared with the corresponding period last year. Shipments for the 6-month period in 1942 totaled 94,814 pounds, while shipments for the 6-month period in 1943 rose to 197,716 pounds—an increase of 102,902 pounds, according to a statement by the Office of the Coordinator of Inter-American Affairs.

Pertinent Comments on World Economy Today

[Being one of a series of excerpts from books, pamphlets, and speeches]

The Supply of Dollars: Vital Factor in Post-War Foreign Trade

A world economic structure organized on the basis of equal treatment and with large scope for free enterprise cannot be maintained in the face of such reductions in the supply of dollars as have occurred in our international transactions in the past. Unless the supply of dollars is more adequate to meet foreign requirements, other countries will assuredly insist on their rights to exercise a close selective control over the use of the amounts available and to promote more intensive relations with third countries under preferential trading arrangements. Unless dollars are made available with greater regularity than in the past, it would be both unjust and unwise to demand the removal of restraints and controls largely designed to protect the internal economies of other countries against external shock and pressure.

In addition to the disturbances resulting from variations in the flow of dollar payments by the United States to foreign countries during the inter-war period, serious difficulties also arose from the misuse of dollars by foreigners. This was notably true of the behavior of foreign capital, which was especially attracted to the United States in time of distress and unrest abroad and of economic expansion in this country. Such shifts of capital, which went largely into speculative stock-market transactions and short-term balances, were of little or no benefit to this country and did positive damage to other countries. Unless brought under control in the future, capital movements of this nature might readily nullify other efforts to attain greater stability in international transactions and would decrease the amount of dollars available to foreigners for purchases of American goods and services.

The United States will emerge from this war with an enormously expanded industrial and agricultural capacity and will be confronted with grave difficulties of readjustment to peacetime conditions. Reappearance of civilian demand in this country and relief-and-rehabilitation activity abroad will constitute a strong market in the months immediately following the end of hostilities and will serve to postpone some of the necessary adjustments. A healthy and continuing foreign demand for American goods will greatly facilitate these adjustments, minimize the dangers of economic collapse and unemployment, and generally assist in the maintenance of production and national income at high levels.

(From *Under Secretary of Commerce Wayne C. Taylor's Foreword to "The United States in the World Economy,"* by Hal B. Lary and Associates, International Economics and Statistics Unit, Bureau of Foreign and Domestic Commerce. Government Printing Office, Washington, D. C.)

Latin American Exchange Rates

NOTE.—Averages are based on actual selling rates for sight drafts on New York, in units of foreign currency, per dollar with the following exception: Cuba—United States dollars to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to the dollar.]

Country	Unit quoted	Type of exchange	Annual average rate		Latest available quotation		
			1941	1942	Rate	Approximate equivalent in U. S. currency	Date, 1943
Argentina	Paper peso	Official A	3.73	3.73	3.73	\$0.2681	Sept. 25
		Official B	4.23	4.23	4.23	.2364	Do.
		Bid	4.88	4.94	4.94	.2024	Do.
		Free market	4.24		4.00	.2500	Do.
Bolivia	Boliviano	Controlled	43.38	46.46	42.42	.0236	Sept. 27
		Curb	54.02	49.66	44.50	.0225	Do.
Brazil	Cruzireiro	Official	16.50	16.50	16.50	.0605	Sept. 1
		Free market	18.72	19.64	19.63	.0509	Do.
		Special free market	20.68	20.52	20.30	.0493	Do.
		Curb	20.30				Do.
Chile	Peso	Official	19.37	19.37	19.37	.0516	Aug. 31
		Export draft	25.00	25.00	25.00	.0400	Do.
		Curb market	31.78	31.75	31.10	.0323	Do.
		Free	31.15	31.13	31.00	.0323	Do.
		Gold exchange	31.15	31.13	31.00	.0323	Do.
		Mining dollar	31.35	31.13	31.00	.0323	Do.
		Agricultural dollar	31.15	31.13	31.00	.0323	Do.
Colombia	do.	Controlled	1.76	1.76	1.75	.5714	Oct. 1
		Bank of Republic	1.76	1.76	1.75	.5682	Do.
		Stabilization Fund	(²)	(¹)	(¹)	(¹)	Do.
		Curb	1.86	1.77	1.75	.5714	Do.
Costa Rica	Colon	Uncontrolled	5.85	5.71	5.63	.1776	Sept. 30
		Controlled	5.62	5.62	5.62	.1776	Do.
Cuba	Peso	Free	.98	1.00	1.00	1.0000	Sept. 25
Ecuador	Sucre	Central Bank (Official)	15.00	14.39	14.10	.0709	July 20
Honduras	Lempira	Official	2.04	2.04	2.04	.4902	Sept. 1
Mexico	Peso	Free	4.86	4.85	4.85	.2062	Sept. 11
Nicaragua	Cordoba	Official	5.00	5.00	5.20	.1923	Sept. 25
		Curb	5.93		5.25	.1905	Do.
Paraguay	Paper peso	Official		333.00	333.00	.0030	Sept. 30
Peru	Sol.	Free	6.50	6.50	6.50	.1538	Sept. 26
Salvador	Colon	do.	2.50	2.50	2.50	.4000	Do.
Uruguay	Peso	Controlled	1.90	1.90	1.90	.5263	Do.
		Free	2.31	1.90	1.90	.5263	Do.
		Controlled	3.26	3.35	3.35	.2985	Do.
Venezuela	Bolivar	Free	3.76	3.45	3.35	.2985	Do.

¹ Under law of October 6, 1942, the cruzireiro became the unit of currency, replacing the milreis. Since November 1, 1942, exchange quotations have been in terms of cruzireiros and centavos to the dollar.

² Established March 25.

³ For class 2 merchandise, 1.795; class 3, 1.87; class 4, 1.96.

⁴ For class 2 merchandise, 1.765; class 3, 1.775; class 4, 1.785.

⁵ July 24-December 31.

NOTE.—Special rates apply to automotive equipment and agricultural machinery imported from the United States into Argentina.

Foreign Trade After the War

(Continued from p. 7)

After the war many countries will stand in urgent need of American capital. The responsibility for developing sound investment programs and for achieving the necessary political security and safeguards will have to be borne chiefly by the governments concerned. Some of the capital, moreover, may be provided through official agencies. But private business is also alert to the need of placing international investment on a firm and mutually advantageous footing. Direct investments involving the joint participation of foreign and American capital and managerial abilities appear to offer especially interesting possibilities.

Statistical techniques are manifestly inadequate to project the potential post-war volume of American investment abroad. For purposes of approximating

the potential supply of dollars, however, we may use a rough and highly arbitrary figure of \$4,000,000,000 annually for both service and long-term capital transactions considered together.

What About Gold?

Finally, gold will doubtless continue to be an accepted medium of international exchange after the war. As such it will serve as a possible source of dollar exchange and will be used at least for meeting short-run discrepancies in the flow of payments on other accounts. Whether gold will again move steadily to the United States and thus provide a regular source of dollars for trade and other purposes is a question that cannot be answered at present.

How Foreigners Use Dollars

We have calculated that, if the domestic economy is operating at capacity with a gross national product of about \$175,000,000,000 in the hypothetical post-

war year 1948, imports might be expected on the basis of past experience to aggregate around \$6,300,000,000—both amounts being in terms of 1942 prices. We have also allowed, in a perhaps still more arbitrary manner, for some \$4,000,000,000 to be supplied through service transactions and capital investment.

These rough calculations would indicate a maximum of about \$10,300,000,000 that might be made available to foreign countries in 1948 if the conditions assumed should actually obtain. Others will want to reduce, or possibly increase, this figure by whatever amount they consider necessary to bring the assumptions into line with their own expectations. And those who anticipate that this country will effectively employ its gradually increasing productive capacity will wish to allow for a further rise of perhaps 3 percent per annum in the volume of dollars paid out. This should apply at least to trade and service transactions, even though an indefinite increase in the rate of capital investment abroad could scarcely be expected.

How will foreigners use the dollars made available by our purchases of goods, services, and investments abroad? How much of the hypothetical total will they spend on United States exports? Some indication is provided by the distribution of their payments to the United States in past years. Over the entire inter-war period, 1919 to 1939, the amount of dollars expended on United States exports averaged 68 percent of total payments to this country for goods, services, and long-term investments.

This distribution will not necessarily apply in the future. Long-term capital movements to the United States will probably be restricted, and it may also be questioned whether service payments could aggregate almost one-fourth of the total, as in the past. But—based solely on the distribution over the inter-war period and without adjustment for possible future shifts—United States exports might be expected to total around \$7,000,000,000 in 1948 out of a total supply of dollars amounting to \$10,300,000,000.

Future Demand for Our Goods

A potential export volume of \$7,000,000,000 may appear extremely large. At their peacetime peak in 1929 and at prices approximately the same as the 1942 levels herein assumed, exports amounted to only \$5,200,000,000. The projected figure is 35 percent larger. It is more than double the value of exports in 1937, the largest recent pre-war year. Even if the supply of dollars paid out by the United States should be adequate to support such a volume of purchases, why assume that foreign countries will want to buy so much? Will their internal economic situations and their external commercial policies permit imports from the United States of this magnitude? Will not some of them prefer to accumulate dollar balances or gold?

Such queries cannot be lightly disregarded nor their implications conclusively disproved. But there are sound reasons for believing that, as has been true in the past, foreign purchases from the

United States, especially if stimulated by intelligent sales-promotion efforts, will readily rise to the maximum permitted by the supply of dollars.

The long-run tasks of economic reconstruction in countries devastated by the war will be an important factor. Even in areas not subject to the destruction of war, productive equipment will have been overworked and inadequately maintained, necessitating repairs and replacements. These tasks will require huge amounts of construction materials, machinery, and tools, much of which American industry is peculiarly well fitted to supply.

Coinciding with and extending beyond the work of reconstruction, foreign countries generally will endeavor to carry out programs of industrialization and economic development. Many countries are already laying down far-reaching plans, even a partial fulfillment of which will require large amounts of productive equipment and materials.

Technical Superiority

The technical superiority which marks many American manufactures will continue to enhance post-war possibilities for American exports. A number of these products have achieved standards of performance and relative cheapness in cost that can scarcely be matched abroad. Largely because of the huge internal market in this country, American industry excels in the production of many types of producers' and consumers' goods most actively demanded by expanding economies. Much the same goods are also required for maintaining the economic structure of more mature and less rapidly growing countries.

Industrialization Abroad

Even in the longer run, any deterrent to exports of particular manufactures resulting from the industrialization of foreign countries is likely to be far outweighed by the increase in total demand growing out of a rise in producing and consuming capacity abroad. Much depends, of course, upon the care and intelligence with which programs for industrialization are developed by governments and by private interests and the extent to which they take into account comparative costs; availability of domestic raw materials, labor, fuel, power, and transportation; extent of the domestic market, and other factors.

Farm Products' Markets

For exports of agricultural goods the strength of future foreign demand is more problematic. It is not as easy to establish for farm products technical superiority such as that which marks United States manufactures, and in general they have been subject to intense competition in foreign markets and to extremely severe import restrictions. The competitive position of American agriculture tended to deteriorate in the twenties and became critical in the thirties.

Appraisal of Study's Results

The measurement of post-war foreign-trade potentialities attempted in this analysis has led to some rather large figures. We have calculated that, under assumed conditions, imports might amount to as much as \$6,300,000,000 and exports to \$7,000,000,000 in the hypothetical post-war year 1948 and that these amounts might be expected to show a further gradual increase thereafter.

Are these figures realistic? What are the possibilities of actually attaining a foreign trade of such volume? These are questions on which each one must formulate his own opinion. But a review of this analysis may indicate that the results, considered as foreign-trade goals and not as forecasts, are wholly realistic. Actual post-war performance should not be seriously below the projected levels unless we fall rather badly to achieve our domestic goals—a key factor in the foreign-trade outlook.

'Commodity Pattern' in Exports

Many people, particularly exporters and manufacturers, are concerned primarily about the outlook for specific products; a total export volume such as the \$7,000,000,000 which has been suggested gives no indication of market possibilities for individual commodities. Obviously, no one can forecast, with any degree of accuracy, what will happen to a particular export commodity. However, the larger study "Foreign Trade After the War," of which this article is a condensation, offers a hypothetical projection of post-war exports at an assumed \$7,000,000,000 level with a distribution according to commodities and commodity groups. These projections, copies of which may be obtained from the Department of Commerce, are based solely on past relationships between these items and the export total. The practical experience of exporters will enable them to give weight to important influences not reflected in the calculations. The commodity specialists in the Department of Commerce will also be glad to assist in refining the results and making them more useful to business.

Where Will Our Markets Be?

Exporters will want to know not only how much they might be able to sell abroad but also *where*. This question requires both a careful consideration of past trends and policies in individual markets and a continuing study of current developments and future potentialities.

A world economic survey of such scope has not been possible in the present brief analysis, nor could it lead to definite results under prevailing conditions. Reviews of economic developments in foreign countries of particular interest to foreign traders are regularly carried in FOREIGN COMMERCE WEEKLY. In addition, the regional specialists in the Department are always ready to provide assistance to foreign traders in meeting their particular problems.

Program for Action

Certainly in the post-war period more extensive and intensive foreign-market research will be necessary. Exporters will want to know more about the nature of specific markets, the development of local industries, and industrial trends in competing supplying countries. During the war it has been difficult for foreign traders to keep in close contact with commercial developments abroad; in many instances the current information they have on foreign markets is based on gossip and rumor.

To aid these groups the Department of Commerce, in cooperation with the Department of State, is now working on plans to obtain up-to-date detailed basic reports on foreign production, trade, and markets. The questionnaires which will be sent to Foreign Service Officers to develop these data will be worked out in cooperation with manufacturers, exporters, and other groups interested in these matters. Plans are also being made to schedule regular periodic reports from abroad to provide a continual flow of foreign commercial information into this country.

In the final analysis, foreign trade after the war hinges to a great extent on *what businessmen do about it*. There is nothing automatic about any market. Much depends on the ingenuity, aggressiveness, resourcefulness, planning, and marketing intelligence of individuals. In the long run, trade promotion and constructive advertising are just as important as governmental support through international agreements and other measures. To achieve these goals, the Department of Commerce and other official agencies stand ready and willing to help.

At the end of 1941, there were 3,344 telephone exchanges with 260,570 lines in Spain, according to figures published recently in a foreign trade journal. Although only 47 of the exchanges are automatic, these handle 177,156 lines—or approximately 68 percent of the total.



News by COUNTRIES

(Continued from p. 27)

Diario Oficial of September 20. This measure was taken to prevent a shortage of eggs in the local market.

[For announcement of maximum sales price of eggs, see *FOREIGN COMMERCE WEEKLY* of May 22, 1943.]

Zanzibar

Tariffs and Trade Controls

Clove Values Fixed in Relation to Export Duty.—For the purpose of assessing export duties during the 6-month period beginning July 1, 1943, official valuations have been established of 55 shillings per 100 pounds on cloves, 9 shillings per 100 pounds on clove stems, and 8 shillings per 100 pounds on mother of cloves, according to a notice in the Zanzibar Gazette for June 5. (A Zanzibar shilling equals approximately 20 United States cents.) Duties are levied when goods are entered for export at the rate of 20 percent of the fixed value of cloves and mother of cloves and 10 percent of the fixed value of clove stems.

Price Control in South America

(Continued from p. 13)

for the development of the economic resources of these countries. One might, however, raise the question as to whether a larger part of these development programs should not be forthcoming in the post-war period when unemployment of economic resources may be a serious problem.

Past Experience

Countries in Latin America have had considerable experience with price control, and in some cases have had a longer history than has the United States. Several of them have put into effect a general freeze of all prices. Others have concentrated on a limited number of the necessities of life. In general, price control has not been overly successful. The freeze technique does not work well unless all factors that contribute toward prices of products are stabilized more or less. The freeze will not be successful in the absence of a high degree of regulation unless indirect taxes are stabilized and excess purchasing power is siphoned off through adequate direct taxes and borrowing programs and unless wages are stabilized.

What is the Way Out?

What then is the solution? It must be remembered that a tax program of the proportions attained in the United States is not possible in these countries—first, because the war incentive is not present

and, second, because the tax systems are not as flexible as ours. Where countries are not heavily industrialized, where they are dependent largely on indirect taxes, and where tax collection is beset with many difficulties, an expansion of total taxes, for all governments, of three to five times, as in the United States' experience, will not be forthcoming.

Another difficulty with price control in these countries is that they have not been able to introduce comprehensive rationing programs. Rationing is difficult of attainment because of the administrative complexities and also because many of the products that are scarce are not consumed widely enough to justify rationing. The net effect is that these countries, confronted with high incomes and insufficient supply of goods, are unable to reduce demand through the introduction of rationing programs and to that extent are faced with very difficult problems of price enforcement.

Necessary Measures

The general prescription for these countries is more or less the same: Concentrate price control on a limited area and, in particular, on the necessities of life and the indispensable machines and raw materials. Introduce price control all along the line for the vital commodities. As administration improves in this limited area, as the excess purchasing power gradually spills into uncontrolled areas, and as economic resources move into the uncontrolled areas, gradually extend control. Wherever possible, fix prices in pesos and centavos and allow for regional differences in prices. This last is particularly important, because transportation costs are so high in South America.

Where commodities are numerous, and where the cost of acquisition varies greatly, it may be necessary to use a mark-up system rather than a specific peso and centavo price regulation. Where the mark-up system is used, the governments should be careful to allow an adequate mark-up. An insufficient mark-up results in wholesale evasions, as has been proved by experience. The mark-up system is more difficult to enforce and, therefore, should not be used except where absolutely necessary. Since most of these countries are not far advanced in manufacturing, as compared with the United States, and have relatively few products, it may be possible for them to fix manufactured prices on the basis of costs and not use the elastic and difficult-to-enforce formula ceilings that are used in the United States. Above all, emphasis must be given to administration and enforcement because the greatest weakness of price control in South America lies in this direction.

Attack Takes Diverse Forms

The attack on the inflationary problem in the international field has taken various forms. First, there has been an appreciation of the exchange, but this

technique, which tends to reduce import prices and increase export prices, has been used with great hesitation and very infrequently. Finance ministers, in particular, have objected to an exchange appreciation which would reduce the earnings of export industries and put the burden of a revaluation of gold and silver resources on the government. The price administrators, however, aware of the gains "pricewise" that might be made, are enthusiastic concerning the possibilities of appreciation. Second, the governments are inclined to put bans on unnecessary exports and in this manner discourage the rise of exports. Third, there has been a tendency to increase the taxes on export products. In this manner the excess of dollars is absorbed to some extent by the government, which uses resources obtained in this way to meet its everyday needs. Insofar as it obtains revenue in this manner, the effects are anti-inflationary. This is on the assumption that expenditures are not increased merely because revenues are thus obtained.

Finally, various attempts have been made—some highly successful—to force the economic interests to purchase government bonds with the inflow of dollars. And the government sterilizes the pesos received in this manner. Only insofar as pesos obtained through these compulsory loans are put to use does this policy fail to have anti-inflationary effects. A variant of this policy is to force all those who bring dollars into the country to buy local bonds. Even if these bonds can be sold by the purchaser, this is a means of discouraging the inflow of dollars because the bonds are generally sold at a loss, and this policy, therefore, amounts to a disguised appreciation of exchanges. These, then, are the attacks used by various South American countries as a means of reducing the effect of the inflow of dollars. In Colombia this approach has been carried far and should have a healthy effect in discouraging inflation.

Income Exceeds Supplies

In sum, the South American price situation is serious. Supplies are down, and demand is up. The only means, short of very vigorous price control, of dealing with this situation if a further sharp rise of prices is to be avoided, is to increase supply and reduce demand. The suggested measures in the field of economic relations, a strong tax and loan program, moderation in profits—these are all required. Any expansions of supplies, through improvement of transportation or reallocation of resources to more productive fields, and bans on exports of necessary commodities are helpful. But even the strongest practical measures in the area of income control, exchange measures, fiscal measures, and the like, will not be adequate. There will remain an excess of income over supplies at current prices, and the only means that will assure price stability will be a combination of all these measures, plus a strenuous price-control program.

Announcements Under the Reciprocal Trade Agreements Act

Supplemental Trade-Agreement Negotiations With Cuba

The Acting Secretary of State has issued formal notice of intention to negotiate a supplemental trade agreement with the Government of Cuba, according to State Department Press Release No. 439 of October 19, 1943.

The Committee for Reciprocity Information also issued on October 19 a notice setting November 17, 1943, as the closing date for submission to it of information and views in writing and of applications to appear at public hearings to be held by the Committee, and fixing 10 a. m., November 24, 1943, as the time for the opening of the hearings, in the hearing room of the United States Tariff Commission.

The only concession that will come

under consideration on the part of the United States is the temporary revision or suspension, until December 31, 1944, of the tariff quota applicable to imports of cigar filler and scrap tobacco of Cuban origin. This tariff quota, which is included in the existing trade agreement with Cuba, permits the importation during a calendar year of 22,000,000 pounds of such tobacco at rates of duty 50 percent less than those which are imposed on imports in excess of the quota amount. During 1940 and 1941 imports were less than the quota. In 1942, however, the quota was filled in September, and this year it was filled in May, because of various wartime circumstances including increased cigar consumption and de-

creased supplies of cigar tobacco from other normal pre-war sources.

No product other than cigar filler and scrap tobacco of Cuban origin will come under consideration for the possible granting of concessions by the Government of the United States. Possible concessions on the part of the Government of Cuba will likewise be temporary, for a period ending on December 31, 1944.

New Basic Guide for Foreign Traders

(Continued from p. 15)

sive newspaper campaign in Latin American countries, based on using a total space of 1,560 inches in each paper, totals \$193,686.12. This calls for a schedule of 171 newspapers in 87 cities. A more condensed schedule—89 newspapers in 56 cities—amounts to \$129,136.94.

Magazines published in Latin America are treated in a similar manner. For example, if an advertiser wants to have coverage in 56 magazines published in 19 countries, using 12 full pages in monthlies and 26 pages in weeklies, it will cost him \$105,734.95. However, if he wants a more condensed campaign—26 magazines in 19 countries—his total will be \$64,566.66.

Eight United States consumer export magazines are also included in the comprehensive budget as a separate item at a cost of \$36,252. As to export trade journals published in this country and circulated abroad, the authors state that they are "of paramount importance in covering importers, distributors, and dealers in all types of trades and industries." The selection of the particular publication to be used in an advertising campaign is governed, of course, by the individual trade or industry.

Embodies Mature Judgment

While the plan is admittedly broad and adaptable to wide variations, it represents the mature judgment of advertising agencies, all of which have had extensive experience in advertising United States products and institutions in the other Americas. By far the greatest volume of such advertising at present is handled by these agencies.

In limiting their suggestions to newspaper and magazine advertising, the agencies point out that "generally speaking these types are now established on a rate and circulation structure more nearly like that in the States and perhaps more so than are other forms of media in Latin American markets. Although press rates and circulation in various areas may still be unstable and leave something to be desired, it is now possible to use them as a basis for establishing the over-all costs of an adequate advertising campaign throughout Latin America."

The portfolio briefly describes other forms of media, and the prospective advertiser is advised to consider them

Trade Agreement Calendar

Trade Agreements Signed

Country	Date signed	Date effective
Cuba.....	Aug. 24, 1934	Sept. 3, 1934
Belgium (and Luxembourg).....	Feb. 27, 1935	May 1, 1935
Haiti.....	Mar. 28, 1935	June 3, 1935
Sweden.....	May 25, 1935	Aug. 5, 1935
Brazil.....	Feb. 2, 1935	Jan. 1, 1936
Canada (see revised agreement below).....	Nov. 15, 1935	Do.
Kingdom of the Netherlands (Netherlands in Europe, Netherlands India, Surinam, and Curaçao).....	Dec. 20, 1935	Feb. 1, 1936
Switzerland.....	Jan. 9, 1936	Feb. 15, 1936
Honduras.....	Dec. 18, 1935	Mar. 2, 1936
Colombia.....	Sept. 13, 1935	May 20, 1936
Guatemala.....	Apr. 24, 1936	June 15, 1936
France and its colonies, dependencies, and protectorates other than Morocco.....	May 6, 1936	Do.
Nicaragua.....	Mar. 11, 1936	Oct. 1, 1936
Finland.....	May 18, 1936	Nov. 2, 1936
El Salvador.....	Feb. 19, 1937	May 31, 1937
Costa Rica.....	Nov. 28, 1936	Aug. 2, 1937
Czechoslovakia.....	Mar. 7, 1938	Apr. 16, 1938
Ecuador.....	Aug. 6, 1938	Oct. 23, 1938
United Kingdom, including Newfoundland and the British Colonial Empire.....	Nov. 17, 1938	Jan. 1, 1939
Canada (revision of agreement of 1935).....	do.	Do.
Turkey.....	Apr. 1, 1939	May 5, 1939
Venezuela.....	Nov. 8, 1939	Dec. 16, 1939
Cuba (supplementary agreement).....	Dec. 18, 1939	Dec. 23, 1939
Canada (supplementary agreement).....	Dec. 30, 1939	Jan. 1, 1940
Canada (supplementary agreement).....	Dec. 13, 1940	Dec. 20, 1940
Argentina.....	Oct. 14, 1941	Nov. 15, 1941
Cuba (supplementary agreement).....	Dec. 23, 1941	Jan. 5, 1942
Peru.....	May 7, 1942	July 29, 1942
Uruguay.....	July 21, 1942	Jan. 1, 1943
Mexico.....	Dec. 23, 1942	Jan. 30, 1943
Iran.....	Apr. 8, 1943	(4)
Iceland.....	Aug. 27, 1943	(5)

¹ The duty concessions and certain other provisions of this agreement ceased to be in force as of Mar. 10, 1938.

² The operation of this agreement was suspended as of Apr. 22, 1939.

³ Superseded by supplementary agreement signed Dec. 13, 1940.

⁴ Thirty days after exchange of proclamation (by the President of the United States) and ratification (by the National Assembly of Iran).

⁵ Thirty days after completion of necessary formalities by the Government of Iceland, proclamation by the President of the United States, and exchange of appropriate instruments.

Summaries of the provisions of each individual agreement are published in FOREIGN COMMERCE WEEKLY promptly after signing. Complete files of the official analysis of each of the agreements, as well as the summaries published by this Department, are available for examination at all field offices of the Department of Commerce. Copies of such analyses or summaries for any particular agreement, figures for the United States trade with "Agreement Countries," and general information regarding the aims, procedure, and operation of the Reciprocal Trade Agreements Program may be obtained from the Trade Agreements Unit of the Bureau of Foreign and Domestic Commerce at Washington.

[A compilation of all changes in the import duties of the United States since the passage of the Tariff Act of 1930, including all duty reductions or bindings by the United States under the trade agreements signed to date, arranged by schedules and paragraphs of the Tariff Act has been prepared by the U. S. Tariff Commission in the form of a pamphlet. This is obtainable from the Superintendent of Documents, Washington, D. C., for 25 cents per copy.]

Countries With Which Intention To Negotiate Has Been Announced

Country	Date of issuance of notice	Latest date for submitting written statements	Date for oral presentation of views
Bolivia.....	Apr. 4, 1942	May 4, 1942	May 18, 1942
Paraguay.....	June 23, 1943	July 23, 1943	Aug. 4, 1943
Cuba.....	Oct. 19, 1943	Nov. 17, 1943	Nov. 24, 1943

[Detailed information, trade figures, and copies of the lists of products to which the United States announced it would give consideration for concessions, at the time of giving formal notice of intention to negotiate with each of the above countries, are available upon request to the Trade Agreements Unit, Bureau of Foreign and Domestic Commerce, or any of the field offices of the Department of Commerce, as well as from the Committee for Reciprocity Information or the Department of State.]

NOTE.—The above Trade Agreements Calendar will appear, for the present, in the issue nearest the middle of the month of FOREIGN COMMERCE WEEKLY, instead of each week as formerly.

Post-War Era Offers Business Its Greatest OPPORTUNITY

thoroughly with his agency before completing any plans.

Radio, Films, Billboards

Radio is cited as important. "However, broadcasting entails negotiation with local radio stations and networks for each specific use, and rates for various purposes vary considerably depending upon the stations, times, and programs desired."

Advertising films and slides have reached a point of use and acceptance in some Latin American cities which is more important than in the United States. Here again, plans for this type of advertising must be laid after considerations of local situations and by means of negotiations.

Posting and billboards are considered effective in Latin America by many advertisers, but their use should be studied in relation to specific problems in each market. The plan also calls attention to advertising by sound trucks, car cards, station displays, direct mail, and point-of-sale merchandising methods.

Keen Interest Expressed

According to Captain Anderson, a considerable number of trade associations and chambers of commerce have already expressed keen interest in this export advertising budgetary guide. Export advertising agencies also report requests from clients for further details.

Based on the ever-increasing foreign-trade inquiries received by the Coordinator's Office and the Department of Commerce, both in Washington and in its Field Offices, there seems little doubt that this new plan will prove generally useful. For, while businessmen seek data on all phases of exporting, they recognize that advertising is an integral part of any program for expanding markets.

Efforts Well Sustained

That long-seasoned export advertisers will continue their practice of holding trade through Latin American and U. S. export advertising, whether they have goods to sell or not, appears certain. This is indicated in word now being received by Coordinator Nelson A. Rockefeller from United States businessmen. In fact, well over 75 percent have replied to his recent letter in which he thanked them for their part in helping promote the Good Neighbor Policy while preserving their trade-marks and good will in the other Americas.

In no instance has there been a note of dissatisfaction in the results of such wartime advertising. The majority express the conviction that they will continue spending at least the same amount in 1944. Many say they will increase their appropriations.

Effectiveness Mounts

Thus, the export advertising program, instituted in the summer of 1942 by the Coordinator's Office and actively sup-

ported by the Department of Commerce, grows in effectiveness. For, in addition to the countless firms whose products are as familiar to our Latin American neighbors as they are to the people in Keokuk, Iowa, there rises a new army of businessmen who are looking southward for extra markets to consume their post-war goods. They vision vast changes. They look for a higher standard of living, a greater-than-ever purchasing power beyond our borders, once victory is attained.

Lending strength to their convictions, Under Secretary of Commerce Wayne C. Taylor recently described a Joint Committee to implement a new economic pact with Mexico. He declared that "this representation will emphasize a new working relationship under which the Departments of State and Commerce, and the Coordinator of Inter-American Affairs, will cooperate in aiding industrial development in other American Republics."

Japs Have Big Ideas

The "Asiatic Mainland Railway Transportation Council" has been inaugurated by the Nipponese to promote coordinated and concentrated operation of all railway transportation facilities on the Asiatic Continent, according to a Jap broadcast.

Ruandi-Urundi Increases Food Production

Ruandi-Urundi, in line with other regions of the Belgian Congo, is making its contribution to the war effort of the Allied Nations, states the African press.

The coffee and dairy industries in this territory reportedly have progressed to a marked degree.

Coffee growing was quite limited until 1936, but since then it has been increasing, and now coffee-bean processing is done in factories with up-to-date equipment. Annual production in 1942 amounted to 10,000 tons.

The dairy industry has also made rapid strides. There are about 1,000,000 head of cattle in this area. Butter and cheese are made in a model dairy at Nyanze. Production of butter amounts to about 130 tons a year and cheese to 36 tons. Between 14 and 16 hundredweight of butter can be dispatched each week to the large centers of the colony.

An agreement recently concluded with the Costa Rican Government authorizes a California oil company to export fuel and petroleum products from Costa Rica, says the Office of the Coordinator of Inter-American Affairs. The company will be allowed to import, free of duty, materials for the construction of oil tanks and other necessary installations.

Corrie J. Cloyes ("New Basic Guide for Foreign Traders").—See the January 9, 1943, issue of FOREIGN COMMERCE WEEKLY.

William Y. Elliott ("Imports Make Total War Possible").—Government official in stockpiling and transportation, university professor, author, lecturer. Was educated at Vanderbilt University, 1917, A. B.; served with 114th F. A., 30th Division, A. E. F., First Lieutenant at close of World War I. A. M. 1920, certificate, Sorbonne, Paris, France, 1919; Ph. D., Balliol College, Oxford University, England, 1923. Was instructor at Vanderbilt University in 1919-20; instructor at University of California, 1923-24. Assistant professor, 1924-25. Lecturer and tutor, Department of Government, Harvard, 1925-26; Assistant Professor 1925-28; Associate Professor 1929-31; Professor, 1931; Chairman, Department of Government, 1933-37. Consultant, President's Committee on Administration Management, 1936; Consultant, National Advisory Defense Commission, 1940; Stockpiling Chief, Office of Production Management, 1941. Director, Stockpiling and Transportation, War Production Board, 1942 to present. Member of Business Advisory Council, Department of Commerce, Council on Foreign Relations, Sigma Chi, Phi Beta Kappa. Editor: International Control in the Non-Ferrous Minerals (with others), 1937; The British Commonwealth at War, 1943, (with others). Author: The Pragmatic Revolt in Politics, 1928; The New British Empire, 1932, The Need for Constitutional Reform, 1935 (with others); The City of Man (1940).

Seymour Harris ("Price Control in South America").—See the May 15, 1943, issue of this magazine.

Hal B. Lary (co-author "Foreign Trade After the War").—Born 1910 in Gatesville, Tex. Attended Texas Technological College, Lubbock, 1927-30. University of Geneva, Switzerland, Licence en Sciences Politiques, 1932. Graduate Institute of International Studies, Geneva, 1932-34. Entered Office of Special Adviser to the President on Foreign Trade in 1934. Transferred to Bureau of Foreign and Domestic Commerce in 1935.

Josh Lee ("International Air Transport").—See the September 25, 1943, issue of this magazine.

August Maffry (co-author "Foreign Trade After the War").—Born in Macon, Mo. Did undergraduate work at the University of Missouri before accepting an exchange scholarship at the University of Tubingen in Germany. Following a year of research work in Paris for the Social Science Research Council of Columbia University, returned to the University of Missouri, from which he received his doctorate in 1930. Was a member of the

faculty of the Department of Economics at Dartmouth College for 4 years before going to Washington to serve successively with the Treasury Department, the Office of Special Adviser to the President on Foreign Trade, and the Department of Commerce. Dr. Maffry came to the Bureau of Foreign and Domestic Commerce in 1935 as a specialist in international trade and finance. He has served successively as Assistant Chief of the Division of Foreign Trade Statistics, Chief of the Coordination of International Statistics Unit, and since November 1942, as Chief of the International Economics and Statistics Unit.

Amos E. Taylor ("Looking Ahead in Foreign Trade")—Born in Glenville, York County, Pa., on July 4, 1893. A. B., Gettysburg College, 1915; special certificate from the Sorbonne, Paris, 1919; M. A. from the University of Chicago, 1920; Ph. D. from the University of Pennsylvania, 1924. Before entering the service of the Federal Government, was Assistant Professor of Finance at the University of Pennsylvania and at Northwestern University. On November 11, 1930, he became associated with the Bureau of Foreign and Domestic Commerce. For many years he was an official of the Finance Division, devoting his attention to international financial matters and related aspects of world economy. Subsequently he became Chief of the Division of Research and Statistics. About 3 months ago, Dr. Taylor was chosen by Secretary of Commerce Jones as the new Director of the Bureau of Foreign and Domestic Commerce. He is the author of numerous published studies in the fields of economics and finance.

For Most Effective Use of World Coal Resources

The War Production Board, on recommendation of the Combined Production and Resources Board of the United States, the United Kingdom, and Canada, has granted higher preference ratings for the production of coal-mining machinery. The CPRB recommended the ratings after hearing a report of its Combined Coal Committee.

The Combined Coal Committee, under the chairmanship of Howard Gray, Deputy Solid-Fuels Administrator for War, was set up by the Combined Production and Resources Board and the Combined Raw Materials Board. It works in conjunction with a subcommittee of the Combined Production and Resources Board, London Committee. The London Coal Committee is headed by Lord Hyndley, Controller General of the British Ministry of Fuel and Power.

The Combined Coal Committee in Washington makes recommendations to the Combined Boards on measures designed to ensure, as regards production and distribution, the most effective use of coal resources in all areas of supply open to the United Nations. These recommendations, when approved by the Combined Boards, are passed on to appropriate agencies of the United States, the United Kingdom, and the Canadian Governments.

New Books and Reports

★ The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. Please note: The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Current Interest Appearing in the Department of State Bulletin October 9, 1943

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., for the price of 10 cents each; subscription price \$2.75 a year. The October 9 issue contains these articles:

ISSUE OF THE DOCUMENTED EDITION OF "PEACE AND WAR."

THE UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION.

PRESENTATION OF LETTERS OF CREDENCE BY THE SOVIET AMBASSADOR.

RETURN TO BUENOS AIRES OF THE AMERICAN AMBASSADOR TO ARGENTINA.

VISIT TO THE UNITED STATES OF THE PRESIDENT OF HAITI.

VISIT TO THE UNITED STATES OF THE CHILEAN FOREIGN MINISTER.

UNITED STATES STATUTES AT LARGE.

Other Publications

THE UNITED STATES IN THE WORLD ECONOMY—THE INTERNATIONAL TRANSACTIONS OF THE UNITED STATES DURING THE INTER-WAR PERIOD. U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce. 1943. Economic Series No. 23. 224 pp. Price, 35 cents. Represents the culmination of more than 20 years of research by the Bureau on the balance-of-payments and international-investment position of the United States. Offers a comprehensive and authoritative analysis of the international transactions of the United States from the end of World War I to the beginning of World War II. Illustrates the fundamental importance of maintaining conditions conducive to a more stable and ample flow of dollars in our transactions with other countries. Contains numerous charts and tables.

Available from: Superintendent of Documents, Government Printing Office, Washington 25, D. C.

ANNUAL STATISTICAL REPORT, AMERICAN IRON AND STEEL INSTITUTE, 1942. American Iron and Steel Institute. 1943. 118 pp. Price, \$5. Presents statistics covering the iron and steel industry of the United States for the year 1942, and of Canada and other foreign countries for

1940 and preceding years. Included for the first time are figures showing inventory, receipts, and consumption of iron ore, and production of electrolytic tin plate, bonderized black plate, wire staples, and plain or black oiled barbed wire; and data showing tonnage of sheared plates rolled on converted strip mills separate from those rolled on plate mills.

Available from: American Iron and Steel Institute, 350 Fifth Avenue, New York 1, N. Y.

AN AGRICULTURAL SURVEY OF SZECHWAN PROVINCE, CHINA. J. Lossing Buck. 1943. 68 pp. Summary and interpretation of a full report in Chinese prepared by the Szechwan Rural Economics Survey Committee of the Farmer's Bank in China in cooperation with the Department of Agricultural Economics, University of Nanking. Embodies pertinent facts regarding farm business, farm tenancy, production costs of four important crops, farm credit, marketing of the three most important cereals, and prices paid and received by farmers in Szechwan Province, according to data gathered from representative farming districts and marketing centers.

Available from: International Secretariat, Institute of Pacific Relations, 129 East 52d Street, New York, N. Y.

WORLD PEACE PLANS. Julia E. Johnsen. 1943. The Reference Shelf, Vol. 16, No. 5. 281 pp. Price, \$1.25. Supplements with more recent material three previous numbers of the Reference Shelf series: "International Federation of Democracies (Proposed)," "The 'Eight Points' of Post-War World Reorganization," and "Plans for a Post-War World." Stresses predominantly political proposals for an international order, but does not exclude other necessary elements. Aims to stimulate thought and discussion through presentation of the comparative merits of diverse plans.

Available from: The H. W. Wilson Co., 950-972 University Avenue, New York 52, N. Y.

THE SOUTH AMERICAN HANDBOOK. Howell Davies (ed.) 1943. 20th annual edition. 782 pp. Price, \$1. Annual guide and book of reference to the countries, products, trade, and resources of Cuba, Mexico, and Central and South America.

Available from: The H. W. Wilson Co., 950-972 University Avenue, New York 52, N. Y.

THE U. S. S. R. AND POST-WAR EUROPE. Vera Micheles Dean. August 15, 1943. Foreign Policy Reports No. 11. 19 pp. Price, 25 cents. Defines certain main trends likely to be manifested in the course of Russia's future foreign policy.

Available from: Foreign Policy Association, Inc., 22 East 38th Street, New York 16, N. Y.

SOME ASPECTS OF POST-WAR ECONOMIC RECONSTRUCTION OF EUROPE. John T. Madden. 1943. Bulletin No. 127. 22 pp. Price, 50 cents. A study dealing with some of the economic problems that will confront Europe at the end of the war.

Available from: Institute of International Finance of New York University, 90 Trinity Place, New York 6, N. Y.

Trade Mark Applications

Colombia.—The following applications for trade-mark registration were published in the *Diario Oficial* on the dates noted. Opposition to the registration of these trade-marks must be made in Colombia within 30 days of the third and last printing:

Trade-mark	Commodity	Date of publication
Veterino.....	Commercial name to distinguish establishments engaged in the manufacture, processing, and sale of pharmaceutical and veterinary products, as well as to be used for advertising purposes, or on boards or display windows advertising such pharmaceutical or veterinary products.	1943 Sept. 3 (first printing).
Gorduro.....	Commercial name to distinguish products used in medicine, pharmacy, veterinary, hygiene, perfumery, toiletries, natural water, wines and medicinal tonics, included in class 2, noted in Decree 1707, 1931.	Do.
Vitarsan.....	Commercial name for substances and products used in medicines, pharmacy, veterinary practice, hygiene, perfumery, toiletries, drugs, mineral water, medicinal wines and tonics, included in class 2, noted in Decree 1707, 1931.	Do.
Radio Libertador radiodifusion H-J-E-C.	Commercial name to distinguish Radio Station H-J-E-C, included in class 14 of Decree 1707, 1931.	Do.
Opacalcium, Taxol, Lactobyl, Veintropo, Azotyl.	Commercial names for pharmaceutical products, included in class 2, noted in Decree 1707, 1931.	Do.
Molino El Condor, Marca-Harina Condor-Regist.	Commercial name to distinguish wheat-flour mills, included in class 14, of Decree 1707, 1931.	Do.
La Moda Al Dia	Commercial name used to distinguish men's, women's and children's wear. Tailor, millinery, hat, clothing, and shoe shops, and many other items.	Do.
Dinacrin, Dolapon, Dolopirona, Endowin, Estaprol, Poprola, Wintodan.	Commercial names for substances and products used in medicine, pharmacy, veterinary practice, hygiene, perfumery, toiletries, drugs, medicinal tonics, included in class 2, noted in Decree 1707, 1931.	Do.
Ocefa, Sulfobilia, Emespe, Asmatol, Higadex, Sedospasmit, Trofosol, Iodocefa, Sulfanesta.	Commercial names for pharmaceutical, hygiene, veterinary, perfumery, and toiletry products. The name Ocefa also distinguishes drug stores, laboratories, stores, included in class 11, noted in Decree 1707, 1931.	Do.
El Faro.....	Commercial name to distinguish roasted coffee and vinegar, included in class 22, noted in Decree 1707, 1931; alcohol, non-medicinal alcoholic or	Do.

Trade-mark	Commodity	Date of publication
El Faro—Con.	nonalcoholic drinks such as wines, beer, spiritous liquor, bitters, absinthe, sirups, soda, mineral water, fruit juices, ice cream, and soda water.	1943
Crown Metal Babbitt.	To distinguish an industrial alloy of white metal, included in class 4, noted in Decree 1707, 1931.	Sept. 3 (first printing).
El Faro.....	Commercial name to distinguish foodstuffs or ingredients used in same, such as: cereals, edible oils, animal and vegetable lards, malt, dry and canned fruit, tea, flour, starches, chocolate, and many other items included in class 22, noted in Decree 1707, 1931.	Do.
Saka.....	Commercial name for veterinary medicines, included in class 2, noted in Decree 1707, 1931.	Do.
Polvero de Johnson, Para Ninos (Taleo Borrado).	The first of these commercial names to be used to distinguish talcum powder, and the second name to distinguish soaps and special oils for children, included in class 2, noted in Decree 1707, 1931.	Do.
Accele de Johnson, Para Ninos.		

Uruguay.—The following applications for trade-mark registration were published in the *Diario Oficial* of Montevideo, on the dates noted. Opposition must be filed within 30 days from the date of publication:

Trade-mark	Product	Date of publication
Oray.....	Groceries, foodstuffs, and beverages.	1943 Sept. 20 to 25
Petrol.....	Electrical material and equipment.	Do.
Emarolina.....	Drugs and chemical products.	Do.
Auritiazol Emar.	do.	Do.
Tavit.....	do.	Do.
Nardil.....	do.	Do.
Iliter.....	do.	Do.
Kymosine Rogier.	do.	Do.
Valasprina.....	do.	Do.
Wincharger.....	Electrical material and equipment.	Do.

Panama.—The following applications for trade-mark registrations were published in the *Gaceta Oficial* on the dates noted. Opposition must be made within 90 days from the date of publication:

Trade-mark	Commodity	Publication date
Stille.....	Surgical instruments.	1943 Sept. 22
Falsano.....	Food products.	Do.
Industria Argentina Cook's.	do.	Do.
Herford.....	do.	Do.
Fenicilina.....	Chemical products, drugs, etc.	Do.

Trade-mark	Commodity	Publication
Devon.....	Food products.	1943 Sept. 22
Fenarsina.....	Chemical substances, medicines, pharmaceutical preparations, drugs, etc.	Sept. 24

Argentina.—The following applications for trade-mark registration were published in the *Boletín Oficial* of September 28, 1943. Opposition must be filed before November 1, 1943:

Trade-mark	Class Number and Commodity
Victor.....	No. 6—Entire class.
Payno.....	No. 14—Entire class.
Avioflex.....	No. 4—Flexible metal tubes.

Brazil.—The following applications for trade-mark registration were published on the dates indicated in the *Official Gazette* of Brazil. Opposition must be filed within 60 days from the date of publication:

Trade-mark	Class No. and product	Date of publication
Atlas.....	No. 47—Illuminating, heating, and lubricating oils.	1943 Aug. 24
Camele.....	No. 1—Chemical products.	Do.
	No. 17—Engineering, architectural, and building contrivances.	
Derby.....	do.	Do.
Neuglass.....	No. 14—Glass.	Do.
Nasophil.....	No. 3—Pharmaceutical product.	Aug. 27
Calex.....	do.	Do.
Acrisolan.....	No. 10—Ingredient used to isolate gypsum from acrylic substances in dentures.	Do.
Gunze.....	No. 28—Natural or artificial silk, spun, thrown, or sewing.	Do.
Elixir Galactogeno.	No. 3—Pharmaceutical product.	Do.
Blumerin.....	No. 1—Paints and varnishes.	Do.
Windsor.....	No. 17—Engineering and construction equipment.	Do.
	No. 38—Paper and stationery.	
Baby.....	No. 12—Slide fasteners, metal. No. 52—Slide fasteners, plastic.	Do.

El Salvador.—The following applications for trade-mark registration were published in the *Diario Oficial*, San Salvador. Opposition must be filed within 90 days from the date of publication:

Trade-mark	Commodity	Date of publication
Hercules (figure of Hercules at left fighting back a lion on the right. Lion is held with jaw open and two front claws on man's arms).	Leather soles, candles, soap, and particularly matches, fabric articles.	1943 Sept. 2
La Rojena and Cuervo Especial.	Tequila wines.	Do.
Cigarillos "Bull Dog" (head of a bull dog).	Cigarettes.	Do.
Vilma.....	Beauty products.	Do.
Central American Coffee & Trading Co.	Coffee.	Sept. 11
Medal.....	Washed coffee.	Sept. 17
Frutolax.....	Chemico-pharmaceutical product.	Sept. 22
Words "Coton Perfectionne, Aux Trois Triangles" encircling 3 triangles each open at top with number 20 underneath.	Sewing thread.	Sept. 28

U. S. Export Control and Related Announcements

Developments communicated to the Trade Controls Unit up to Tuesday, October 19, 1943:

No. 494—Current Export Bulletin No. 127

The Office of Exports has issued Current Export Bulletin No. 127 on the following subjects:

I. Program License Authorizing Exportations to the French West Indies.

A. The Program

A program license has been issued to the Delegation of the French National Committee in the United States authorizing the exportation to the French West Indies* of specific kinds and quantities of commodities for specific end uses. Therefore, after October 1, 1943, no individual licenses will be issued to these destinations (this provision does not apply to licenses issued on Form BEW 151, and licenses for technical data). Clearance of exportations of commodities to the French West Indies under this license will be authorized by the issuance of release certificates by the Office of Exports, Office of Economic Warfare. (See Comprehensive Export Schedule Number 12, page 92, for the general provisions and information pertaining to program licenses.)

B. General Licenses Continued

All general licenses under which exportations may be made to the destinations named above will continue in effect.

C. Individual Licenses

Effective immediately, no further applications should be filed for individual licenses to export commodities to the French West Indies. All valid outstanding individual licenses for export to these destinations will remain valid until their original expiration date.

D. Exportation Under Program License

1. The Office of Economic Warfare will act as the certifying agency issuing release certificates for all exportations to the French West Indies. Release certificates will remain valid for one year from the date of issuance. All individual license applications pending on October 1, 1943, are considered by the Office of Exports as applications for release certificates under the program license. Applications for release certificates shall be made on Form BEW 119 using the same number of copies as are used in applying for an individual export license. Acknowledgment cards (BEW 118) should also be filled out and submitted with the release certificate applications. Inquiries concerning the status of release certificate applications should be addressed to the Office of Exports, Washington 25, D. C.

2. The Delegation of the French National Committee in the United States will examine all release certificate applications before they are certified by the Office of Exports; for convenience, therefore, such applications should be sent directly to the Delegation of the French National Committee in the United States at 626 Fifth Avenue, New York, N. Y.

3. No exportation may be made under this program license with the knowledge or intention that the commodities covered thereby

are to be reexported from the French West Indies unless the reexportation has been authorized by the Office of Exports. Such reexportations are authorized, however, when made solely between the islands of the French West Indies.

E. Appeals

1. An exporter whose application for a release certificate or for an extension thereof has been rejected, or whose release certificate has been revoked, may file an appeal from such rejection or revocation with the Office of Exports, Office of Economic Warfare, Washington 25, D. C.

2. In filing an appeal, the same procedure shall be followed as is presently in effect for appealing a rejected license application (Comprehensive Export Schedule No. 12, page 103, paragraph 30).

II. Follow up on Licenses for Basic Iron and Steel Products.

Issuance of Allotments and Priority Ratings

1. The Office of Economic Warfare as a claimant agency under the Controlled Materials Plan is authorized to issue allotments on steel mill products. It is also authorized under other agreements with the War Production Board to issue priority ratings on specific quantities of certain iron products. These allotments or priority ratings are issued by the Office of Economic Warfare at the time export licenses are granted. Such allotments must be deducted from the total amounts of materials which may be allotted or rated at the time the export licenses are issued. License holders who cannot place orders with suppliers for the materials covered by their licenses or who fail to make the satisfactory commercial arrangements with their customers, or who for other reasons are not using their export licenses, deprive other applicants and the countries of destination of materials which would result in actual export shipments.

Allotment or Rating Must Be Used

2. In order to eliminate such losses as much as possible, the Office of Economic Warfare has devised a simple plan which will be of benefit to the export trade as a whole. In a short time applicants who receive approved export licenses for basic steel mill products and for certain iron products will find attached to each license a post card. In the case of SP licenses these cards will be sent to the licensee at the time when allotments or preference ratings are issued. It will be necessary for the license holder to fill in and return this card on placing his order with the supplier or, in any event, within three weeks from the date of issuance of the export license. The license holder will indicate on this card the name and address of the supplier who has actually accepted his order, the promised delivery date, and will supply information required in a, b, or c as follows:

- Will be filled from stock in ---- (month).
- Producer accepted order for production in ---- (month).
- Order not placed. (Give complete details by letter).

3. If the entire quantity of material covered by the export license is placed with more than one supplier or delivery will be made in more than one month, the license holder should use additional cards or, if cards are not available, should give the information by letter. In other words, one card (or letter) should show only the amount to be delivered by one supplier at one time. Furthermore, if

the license holder should cancel his order with the supplier, or if any change in the month of production is made after the card has been forwarded to the Metals and Minerals Division, such changes should be reported immediately by letter.

Aid from Office of Exports

4. If it has been impossible to place an order with a supplier or if for some other reason the information cannot be given within the three weeks, the license holder should notify the Metals and Minerals Division, Operations Branch, Office of Exports, by letter prior to the expiration of the three-week period stating the cause of the delay and steps taken by the license holder to overcome such causes. The Office of Exports will attempt to locate a supplier through arrangements with the War Production Board, or, if possible, give other assistance which may be needed.

Cancellation of Unused Allotments

5. If a letter or card is not received within four weeks of the date of issuance of the export license, the Office of Exports will assume that the license holder is no longer interested in making the proposed shipment and he will be notified that the license has been revoked so that the quantity of material covered by the license may be reissued to other applicants. In addition to making available these materials which otherwise would not be exported, the plan will provide information as to the amounts of materials which will be available for shipment in the future months.

Scheduled on Quarterly Basis

6. In view of the above, it is now possible to issue allotments on a quarterly basis. Beginning with the allotments issued for the first quarter of 1944, therefore, all allotments will now be considered as issued on a quarterly basis, even where the allotment granted named a specific month. This should give suppliers a greater latitude in scheduling production and should assist the exporter in securing materials.

Reports Required on Certain Outstanding Licenses

7. All holders of valid outstanding individual licenses carrying E-1 allotments for production in 1944 which are issued prior to the time the system of attaching cards is begun should report prior to November 15, 1943, the status of the order covering the material licensed. This should be in the form of a letter indicating the license number, country, supplier, Schedule B number, position (produced, shipped from point of production, month of scheduled production, or not scheduled).

Items Affected by New Plan

8. At the present time the Office of Exports intends to include in this follow-up system only the items covered by the Schedule B numbers listed below:

Schedule B Numbers

6007.00
6013.00 to 6042.00 inclusive
6045.00
6049.00 to 6085.00 inclusive
6087.10 and 6087.50
6091.01
6091.00 to 6093.00 inclusive
6095.00 (staples only)
6101.00 to 6105.00 inclusive
6107.05 and 6108.05

III. Errata and Corrections.

A. The following corrections should be noted in Comprehensive Export Schedule No. 12:

Page 4—Under Special Notes:

No. 2, "See pages 131-132"—Should read See pages 134-135.

No. 6, "See Special Provisions, pages 104-109"—Should read See pages 106-111.

Bottom of page, footnote No. 1 "pages 142-147" Should read "pages 145-150."

Page 7—Under Art Works:

Paintings, etchings, engravings, statuary, and antiques (include valuable manuscripts)

*French West Indies include the islands of Guadeloupe, Martinique, Desirade, Les Saintes, Marie Galante, St. Bartholomew, and the northern part of St. Martin.

(report plaster of paris statuary in 5487.00).
Dept. Com. No. 9610.00 Gen. Lic. Group K-17—
Should read Gen. Lic. Group K-17.

Page 9—Under Beverages:

Rum, Dept. of Comm. No. 1774.00—*Should read* Dept. of Comm. No. 1714.00.

Sirups and flavors for beverages (include concentrated sirups) Dept. of Comm. No. 1776.00—*Should read* Dept. of Comm. No. 1766.00.

Whiskey, Dept. of Comm. No. 171.600—*Should read* Dept. of Comm. No. 1716.00.

Wines, Dept. of Comm. No. 175.000—*Should read* Dept. of Comm. No. 1760.00.

Under Books, Maps, Pictures, and Other Printed Matter:

Currency, bank notes and uncanceled revenue stamps (coins classified according to composition)—*Delete the asterisk in the column marked "Gen. Lic. Group."*

Page 10—Under Brass and Bronze:

Plates, sheets and strips, Dept. of Comm. No. 6456.00—*Should read* Dept. of Comm. No. 6450.00.

Page 12—Under Cement, Lime and Stone:

Concrete and cement manufactures (include cement building blocks), Dept. of Comm. No. 5170.00, Gen. Lic. Group K-17—*Should read* Gen. Lic. Group K.

Page 19—Chewing gum, Dept. of Comm. No. 1639.00, Gen. Lic. Group K—*Should read* Gen. Lic. Group 62.

Children's wheel goods and parts, Dept. of Comm. No. 9405.00, Gen. Lic. Group K—*Should read* Gen. Lic. Group K-17.

Page 22—Cotton seed for planting, Dept. of Comm. No. 2220.02, Gen. Lic. Group 62, 17—*Should read* Gen. Lic. Group 17.

Page 25—Under Electrical Machinery and Apparatus:

In the column marked Gen. Lic. Group on a line with the entry "Fans, electric, Dept. of Comm. No. 7061.00," insert the number 62.

In the column marked Gen. Lic. Group on a line with the entry "Flashlight cases, Dept. of Comm. No. 7060.00," insert the number 62.

Page 26—Under Electrical Machinery and Apparatus:

Radio tubes or valves for receiving sets (include television receiving sets) (also see page 109)—*Should read* (also see page 110).

Page 27—Fence posts, wood, Dept. of Comm. No. 4039.90—*Should read* Dept. of Comm. No. 4039.00.

Page 38—Junket, Dept. of Comm. No. 0099.00, Gen. Lic. Group K—*Should read* Gen. Lic. Group 62.

Page 40—Lemons and Limes, Dept. of Comm. No. 1903.00, Gen. Lic. Group K—*Should read* Gen. Lic. Group 62.

Page 43—Under Machinery—Melting and Casting:

Iron and steel ingot casting molds, Dept. of Comm. No. 7452, Gen. Lic. Group 64—*Should read* Gen. Lic. Group 62.

Page 52—Under Oilseeds—Vegetable:

Cottonseed, for planting, Dept. of Comm. No. 2220.02, Gen. Lic. Group 62, 17—*Should read* Gen. Lic. Group 17.

Oranges, Dept. of Comm. No. 1305.00, Gen. Lic. Group K—*Should read* Gen. Lic. Group 62.

Page 53—Paintings, Dept. of Comm. No. 9610.00, Gen. Lic. Group K—*Should read* Gen. Lic. Group K-17.

Under Paper Base Stock—Continued (top right hand side):

Sulphate wood pulp, bleached rayon and special chemical grades (include alphacellulose and other cellulose wood pulp), Dept. of Comm. No. 4601.00—*Should read* Sulphite wood pulp, etc.

Page 55—Photographic and Projection Goods (also see Part J, General License GPF, Page 87)—*Should read* (Also see Page 79 and Part J, General License GPF, Page 87).

Page 56—Under Photographic and Projection Goods:

In the column marked Gen. Lic. Group delete the symbols K and K-17 and substitute an asterisk (*) beginning with the third entry on the page, "Motion picture film, exposed, negative, features 35 mm. (4,000 Lin. ft. or +), Dept. of Comm. Nos. 9121.20 and 9121.21, Gen. Lic. Group K" and ending with the eighteenth entry "Motion picture film, exposed, positive, trailers, inserts, and re-

placements, Dept. of Comm. Nos. 9123.80 and 9123.81, Gen. Lic. Group K-17." At the bottom of the page add the footnote * See Part J, General License GPF, page 87.

Page 60—Roller skates, Dept. of Comm. No. 9441.00 Gen. Lic. Group K—*Should read* Gen. Lic. Group K-17.

Page 61—Scrap (and old) brass and bronze, Dept. of Comm. No. 6440.00, Gen. Lic. Group 47—*Should read* Gen. Lic. Group None.

Page 40—Lime, Dept. of Comm. No. 5171.00, Gen. Lic. Group 62—*Should read* Gen. Lic. Group K.

Page 68—Under Toys, Athletic and Sporting Goods:

Commodity	Unit	Department of Commerce No.	General License Group
Plywood, Douglas fir	Sq. ft.	4299.00	62
Plywood, other than Douglas fir	do	4214.03	62
Shingles (square coverage of 100 square feet)	do	4225.00	62
Striking tool handles (include hammer, hatchet, adz, ax, sledge, mattock and pick handles)	Doz.	4288.00	62
Trim and moldings	Lin. ft.	4228.00	62
Veneer packages for fruits and vegetables	do	4221.00	62
Veneers, sash grade	Sq. ft.	4216.05	62
Veneers, fancy, face, or figured	do	4216.01	62
Veneers, utility or commercial	do	4216.03	62
Venetian blinds	Units	4231.00	None
Venetian blind slats	do	4230.00	None
Woodenware	Units	4238.00	None
Furniture, chief value of upholstery, n. e. s. (wood predominating in frame construction)	do	4243.00	None

Page 85—The Schedule B Numbers for "Photographic unexposed film, plates and paper (including blue printpaper) 9117.10 through 9117.60, 9125.00 through 140.009—*Should read* 9117.10 through 9117.60, 9125.00 through 9140.00.

Page 110—Under the title Photograph Film, etc., "Page 78"—*Should read* 79.

Page 119—Under Special Notes, paragraph 1. "Or renewals" in first sentence *should be deleted and the following sentence added at end of Paragraph:* "Applications for renewals of licenses must be accompanied by an Import Recommendation (or similar document) if such a document is required upon submission of an original license application for the commodity involved."

Page 121—Under Cuba:

Paragraph d:

Iron and Steel:

Wire: Other Wire and Manufactures Schedule B Numbers 6085.00 through 6091.25—*Should read* Schedule B Numbers 6085.00 through 6091.98.

Mercury (Metallic) Schedule B Number 6630.00—*Should read* Schedule B Number 6635.00.

Page 122—Under Mexico:

In paragraph d, item 3 *Should read* Certain Other Metals, Chemicals and Drugs, Rayon Filament Yarn, and Wood Pulp.

The heading of List 3 *Should read*—Certain Other Metals, Chemicals and Drugs, Rayon Filament Yarn, and Wood Pulp.

B. The following corrections *should be noted in recent Current Export Bulletins:*

Bulletin No. 122:

Under Clay and Clay Products:

Electrical porcelain for less than 6600 volts, Dept. of Comm. No. 5370.00 *Should read*—Dept. of Comm. No. 5335.00.

The footnote on the bottom of page 4 *Should read* "Glass, n. e. s. (including flat glass specialties, mirrors and glass brick, but excepting ophthalmic glass), Dept. of Comm. No. 5230.98 remains exportable under general license to Group K-17.

Under Cotton Manufactures:

Shirts, boys; n. e. s. (except knit) Dept. of Comm. No. 3177.29—*Should read* Dept. of Comm. No. 3117.29.

Shirts, men's not knit, n. e. s., Dept. of Comm. No. 3177.25—*Should read* Dept. of Commerce 3117.25.

Shirts, work, Dept. of Comm. 3177.10—*Should read* Dept. of Comm. 3117.10.

Textile Products:

Delete Starch filled book cloth, Dept. of Comm. No. 3914.20, General License Group

Dolls and parts (specify type, i. e. s., composition or stuffed) (including clothing), Dept. of Comm. No. 9400.00, Gen. Lic. Group K-17—*Should read* Gen. Lic. Group K.

Page 70—Under Vegetables and Preparations:

Vegetable preparations, other, Dept. of Comm. No. 1259.98, Gen. Lic. Group K—*Should read* Gen. Lic. Group 62.

Page 72—Under Wood Manufactures:

The entries beginning with "Plywood, Douglas fir" and ending with "Furniture, chief value of upholstery, n. e. s. (wood predominating in frame construction)" *should read as follows:*

None and Window shade cloth, Dept. of Comm. No. 3913.00, General License Group None. (These items are exportable under general license to Group K countries. See Current Export Bulletin No. 125, page 9.)

Bulletin No. 125:

Under Books, Maps, Pictures and Other Printed Matter on a line with the entry "Plans and specifications for aircraft, photographs and blueprints, Dept. of Comm. No. 9550.01" in the column marked General License Group add an asterisk (*).

Under Furs and Manufactures—Page 4:

On a line with the entry "Fox, red, undressed, Dept. of Comm. No. 0733.00" in the column marked Gen. Lic. Group insert the letter "K".

Under Jewelry—Page 6:

Jewelry, women's, of other materials (synthetic resin, cellulose compounds, etc.) (include rings, bracelets, bar pins, brooches, necklaces, and earrings) Dept. of Comm. No. 9268.00—*Should read* Dept. of Comm. No. 9628.00.

Under Pigments, Paints and Varnishes—Page 14:

Delete the asterisks following the last entry "Whiting** Dept. of Comm. No. 8405.00".

On page 14 delete the second footnote **other mineral earth pigments (including barytes, but excluding whiting) B-8405.00 exportable under general license only to Iceland.



"You Said It, Boys!"

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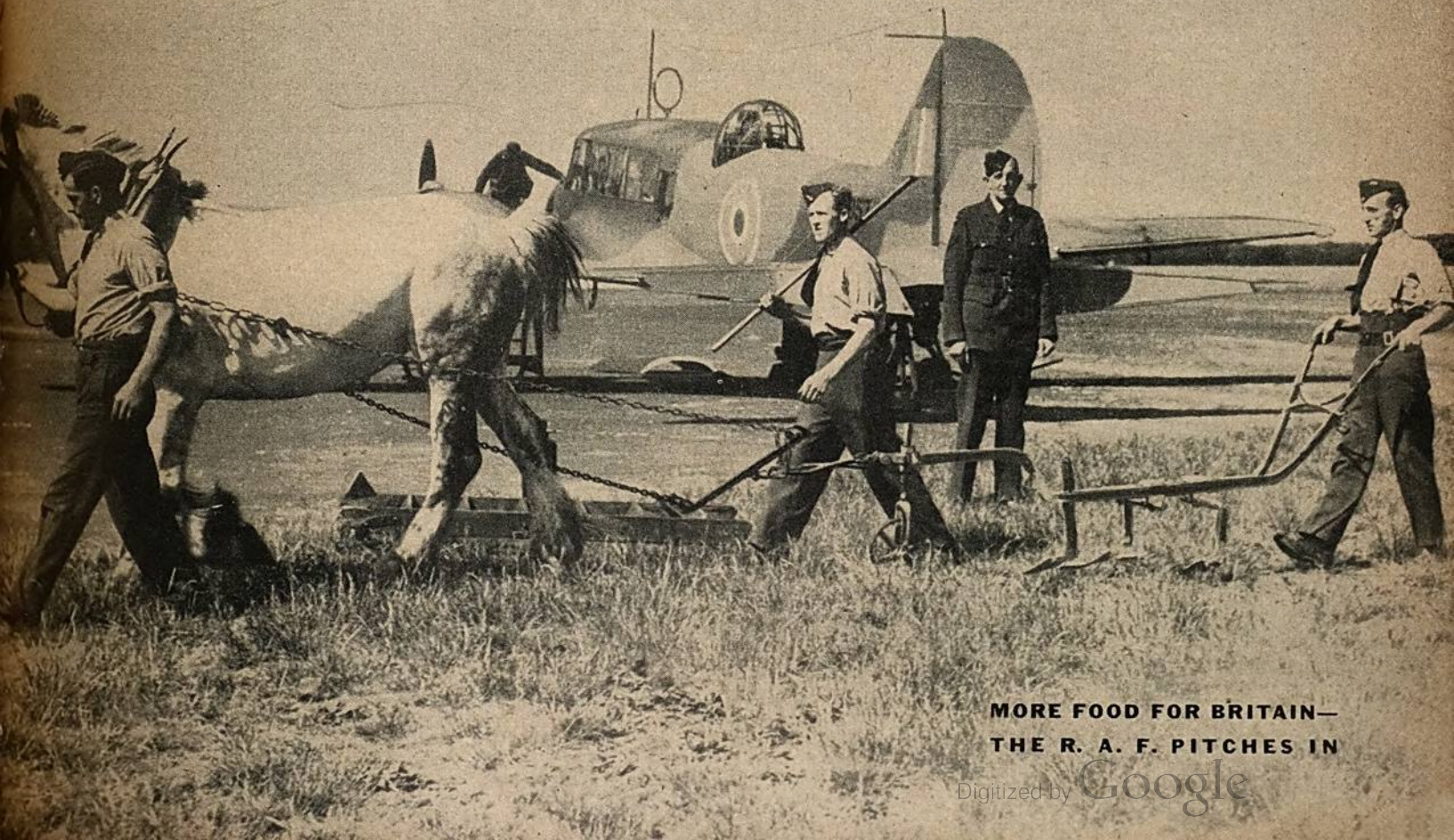
Foreign Commerce WEEKLY



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MORE FOOD FOR BRITAIN—
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Foreign Commerce Weekly

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Issued by the UNITED STATES DEPARTMENT OF COMMERCE, JESSE H. JONES, Secretary

THIS WEEK

Donets Basin.....	3
Subsidies in British and Canadian Price Control.....	6
The Kuriles.....	11

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tomhouse.
Savannah, Ga., 403 U. S. Post Office
and Courthouse Bldg.
Seattle 4, Wash., 809 Federal Office
Bldg.

News by COUNTRIES

Argentina.....	16	Iceland.....	20
Australia.....	17	Madagascar.....	21
Brazil.....	17	Mexico.....	21
British West Indies.....	17	Paraguay.....	21
Bulgaria.....	17	Peru.....	21
Canada.....	17	Southern Rhodesia.....	21
Chile.....	18	Sweden.....	22
Cuba.....	18	Switzerland.....	22
France.....	19	United Kingdom.....	22
French Cameroun.....	20	Uruguay.....	22
French Equatorial Africa.....	20	Venezuela.....	23
French North Africa.....	20		

News by COMMODITIES

Beverages.....	24	Nonferrous Metals.....	28
Chemicals.....	24	Nonmetallic Minerals.....	28
Coal.....	24	Oils and Oilseeds.....	28
Construction.....	24	Paper and Related Products.....	29
Electrical Machinery and Equip- ment.....	24	Petroleum and Products.....	29
Foodstuffs and Allied Products.....	25	Radio.....	30
Leather and Related Products.....	27	Shipbuilding.....	30
Lumber and Products.....	27	Soaps and Toiletries.....	30
Medicinals and Crude Drugs.....	27	Special Products.....	30
Motion Pictures and Equipment.....	27	Textiles and Related Products.....	30
		Tobacco and Related Products.....	31

REGULAR DEPARTMENTS

Latin-American Exchange Rates.....	32	Pertinent Comments on World Economy Today.....	17
United States Export Control and Related Announcements.....	35	Contributor's Column.....	38
Trade-Mark Applications.....	34	Announcements Under the Recipro- cal Trade Agreement Act.....	33
New Books and Reports.....	37		

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Cover photo: British official photo.

DONETS BASIN—

*Economic Significance of the Great Industrial Region
Now Reconquered by Advancing Forces of the U. S. S. R.*

By ERNEST C. ROPES, *European Unit,
Bureau of Foreign and Domestic
Commerce*

A NAME that has constantly recurred in the press in recent months, after 2 years of rare mention, is the Donets Basin, the southern section of the Ukrainian Republic of the Union of Soviet Socialist Republics, as Russia is now called. Occupied by the invading German armies in 1941, in a historic eastward drive, it has now been reconquered by the Russian army, which has swept westward at a pace that brooks no hindrance.

From east to west, and north to south, the Donets Basin is now once more in Russian hands. Though plundered and fireswept, with its villages burned, and its people evacuated, killed, or taken prisoner, the Basin retains its importance to the U. S. S. R. of which it is a unique part. Germany held it for a time, but was able to exploit only a few of its resources, which remained almost intact because mostly underground, where slave labor by the Russians was recalcitrant and of little use to the German invader.

What is the Donets Basin?

The Donets Basin is a natural phenomenon perhaps unique in the world. It is nearly 10,000 square miles in area, and stretches from Stalino to Rostov, and beyond, to the banks of the Don River and perhaps even farther. It is primarily a huge coal field, with a maximum length of 250 miles and width of 100 miles, containing estimated reserves of 60,000,000,000 to 90,000,000,000 metric tons, of which 60 percent is bituminous, largely of good coking quality, and 40 percent anthracite, superior in some respects to Pennsylvania hard coal.

Some 200 individual seams have been traced, containing coal of varying quality, from gassy to anthracite, suitable for many industrial and all domestic purposes. Anthracite deposits center particularly in the eastern end of the field, whence exports via Mariupol, a port specially equipped for coal-loading, are easy and in normal times considerable.

Coal without iron is only half effective, in modern industry, but in the Donets Basin iron is found in abundance, at Krivoi Rog west of the coalfield where in a strip 100 kilometers long, under a thin layer of tertiary and more recent strata, veins of rich iron ore stretch along the Saksagani and Ingultsa Rivers. The geological reserves, tested by drillings 500

meters down, are estimated at 575,000,000 to 1,000,000,000 metric tons, of low phosphorus ore containing 50 to 70 percent of iron; 94 percent is described as hematite, the remainder magnesite and limonite.

With coal beds in the immediate vicinity, and railroads running through the area, terminating at the river port of Nikolayev, Krivoi Rog forms the metallic backbone of the whole Donets Basin industrial development.

To stiffen this backbone the Nikopol manganese deposit had been greatly expanded in recent years. The mine is in the Krivoi Rog district, and is also provided with railroad connections to the large iron and steel plants in the Donets Basin. Reserves are estimated at 90,000,000 metric tons of ore running as high as 33 percent manganese oxide, which after concentration shows up to 57.6 percent metal.

The last requisite for large-scale smelting of iron, limestone and dolomite, is also available in the Donets Basin, in ample supply. The district is also famous for the salt mines at Artemovsk, the mercury mine at Nikitovka, and large beds of glass sand, all needed by mass production plants in modern industry.

Industry of the Donets Basin

The fortuitous combination of immense quantities of coal and high-grade

iron ore could hardly remain undiscovered and unutilized. Donets coal was known as early as 1722, but remained merely a geological phenomenon until about 1860, when the first steps toward establishing an industrial district were taken, and railroads were built connecting southern Russia with the northern industrial centers. Iron-ore mining operations began in 1871, first with open-cut mines and later with deeper workings. Nikopol manganese came into the picture in 1886, completing the cycle of steel manufacture.

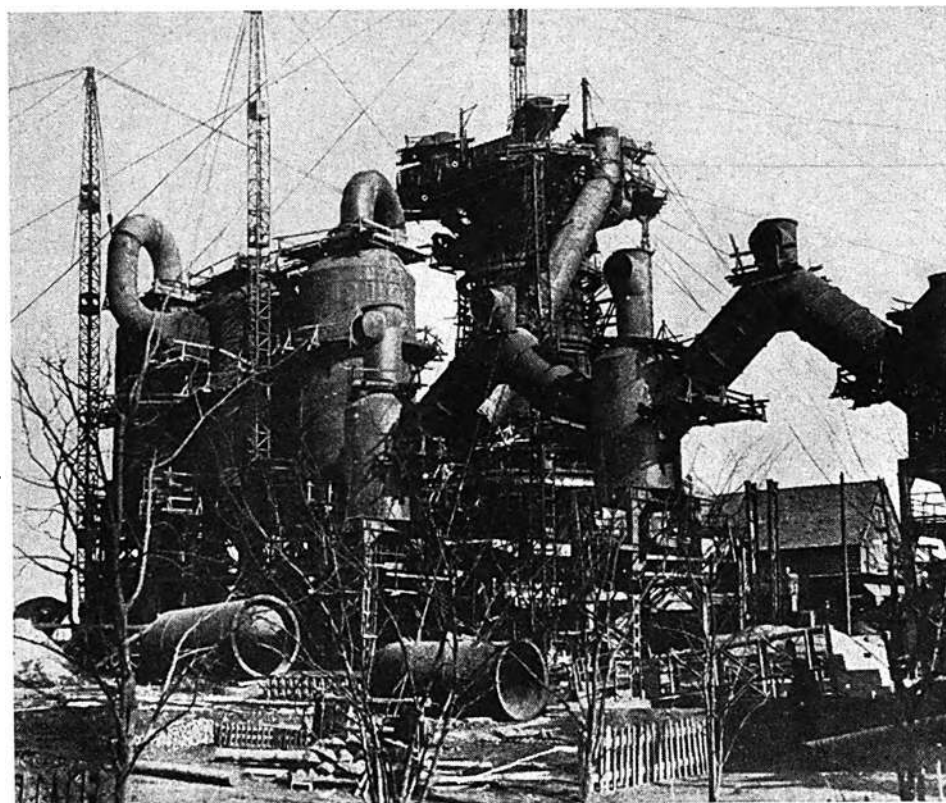
Before the Revolution, the Donets Basin had become firmly established as the largest and most modern iron and steel district in the country, depended on for large quantities of rails, structural steel, iron castings, and many other semifinished and finished products in demand at that period. At Makeyevka, Lugansk, Yuzovka (named after an Englishman named Hughes), and a number of smaller places in the Basin, French, Belgian, and British capital was invested, first in the coal and iron mines themselves and then in the plants in which iron and steel products were manufactured.

French capital controlled 50.9 percent of the coal output of the Basin in 1915, this proportion amounting to over 10,000,000 tons. The French were also heavily interested in the Krivoi Rog mines, in association with the Belgians,



Courtesy "Soviet Russia Today."

Group of Donets Basin miners about to go down into the pit. Note the helmets, waterproof overalls, and automatic pneumatic picks.



Courtesy "Soviet Russia Today."

Blast-furnace at a metallurgical plant in Krivoi Rog—as it was being assembled in the period before the German incursion.

in Nikopol factories and shipyards, and in pig-iron smelters—the latter producing in 1913 2,403,000 long tons, or 78.8 percent of all the pig produced in the Donets Basin in that year. Belgian money, usually in association with French, was in coal mines, iron foundries, and glass factories in the Basin, including a smelter at Mariupol.

All the above properties were nationalized after the Revolution, and became the nucleus for the expansion of the iron and steel industry in the Donets Basin under the first Five-Year Plan, beginning in 1928. Before that date large investments of federal-budget funds had been made in restoring and modernizing the mines and plants inherited from the Tsarist period. With imported equipment, largely German, coal and iron mines were able to exceed their pre-revolutionary production, though the process of restoration lasted through 1927, because of the necessity for reconstruction and replacement of destroyed buildings and obsolescent equipment.

The First Five-Year Plan

The first of the three Soviet Five-Year Plans, drawn up on the basis of studies originally begun for the purpose of planning the electrification of the country, ran nominally from 1927-28 to 1932-33, but was declared completed, in fact overfulfilled in some respects, in 4¼ years, or by December 31, 1932. While one primary aim of this Plan was to develop resources in sections of the country other than the Donets Basin, that district was so obviously capable

of quick expansion by mere duplication of existing productive facilities and utilization of known fuel and metal reserves, that the larger proportion of capital investment, and of consequent expansion of industry, occurred in the Basin and the Dnepr district, which is really a part of the Basin, though wholly new—the result of the damming of the Dnepr River and the building of the hydroelectric station at Kichkas.

For this reason new coal pits were planned and built, first to expand the production of the old Donets mines to 40,400,000 tons per year and then to add pits of a capacity of 12,000,000 tons annually. Simultaneously the output of metallurgical coke was increased, from the eastern anthracite mines and deposits of lean coals, all conveniently located near the smelters. At the same time iron-ore production was slated to be raised from 5,000,000 tons a year to 10,000,000 tons, which with scrap would be sufficient to cover the needs of Donets furnaces. Manganese output was similarly expanded from 536,000 tons a year to 920,000 tons, leaving a surplus of 420,000 tons for export to Germany (in payment for the machinery supplied to the Nikopol mine) and other countries.

The production facilities utilizing these increased stocks of materials were provided with power under the electrification program. The largest unit added in the Donbas was the Dnepr hydroelectric station originally scheduled for eight, later increased to nine, super-turbogenerators, rated at 558,000 kilowatts; of these one is of American, the rest of Soviet construction. This sta-

tion, called Dneproges, and named after Lenin, will be the largest in the country until the huge Volga station is completed.

Under the Plan, it was scheduled to supply current for a number of new enterprises to be built in the vicinity, and to contribute power as needed to the Donets Basin electric grid, which supplies Krivoi Rog, the surrounding farming country, and the industrial cities throughout the district, with power, light, and often heat for factories and dwellings, built under the second Five-Year Plan. The total capacity of all stations in the Basin increased from 465,000 kw. in 1928 to 1,428,000 kw. in 1932.

Provided with fuel, iron ore, and electric power sufficient for greatly increased production of steel, construction of new blast furnaces was undertaken at Makeyevka and Dzerzhinsk; these were fully mechanized, and used blowers of the latest type, besides automatic charging apparatus. New open-hearth furnaces, also of modern type, were also built, and a large steel casting foundry at Lugansk. An entirely new development was the erection of electric steel furnaces at Zaporozhye, utilizing Dneproges current. New sheet and rail rolling mills appeared at Makeyevka and elsewhere; the capacity of all rolling mills in the South increased in this period from 365 tons per hour to 618 tons, or 70 percent.

A final addition to the new equipment at Makeyevka, started in January 1933, was a large blooming mill, probably the first of its kind in the U. S. S. R.; while Mariupol received a 100,000-ton-a-year seamless-tube mill, and Dnepropetrovsk, another city in the galaxy using Dnepr power, a smaller mill of the same type.

The process of modernization and expansion of the Donets Basin iron and steel industry included also the construction literally of hundreds of power stations; many using pulverized coal for fuel; boiler and machine shops; finishing shops; intra-factory transport systems; and installations to utilize waste heat and coke-oven gases, as well as other byproducts. The Donets Basin was ready to maintain its reputation of being the oldest, largest, and best iron and steel district of the U. S. S. R., in the face of new rivals that were rapidly rising at Magnitogorsk in the southern Urals and in the Kuznetsk Basin in western Siberia.

Second and Third 5-Year Plans

During the next 10 years, from 1932 to 1941, the Donets Basin received a constantly decreasing share of federal investment, except for completion of projects started or already planned, because of the shift of emphasis in development to the Urals and the districts east of that mountain chain. But its importance in Soviet basic industry continued to be great, and it produced in 1938 more than 60 percent of the coal mined in the country, nearly the same proportion of its iron ore, and 35 percent of all manganese ore; and smelted more than half the pig iron and steel produced in the furnaces of the U. S. S. R. Ten new blast

furnaces, and 23 open-hearth steel units, were added before 1938, and played their part in supplying materials for Soviet metal-working industries, including the new armament plants which were preparing for an attack from the west, which came, as everyone knows, in June 1941.

Statistics in the Donets Basin as an industrial district stop with 1938, but descriptive material helps to form a picture of the Basin at the outbreak of war, just before its cities were evacuated, its factories destroyed, its mines flooded, and the equipment of its hundreds of plants and mills moved, if possible, to the safe protection of the Urals and the vast areas beyond.

This picture shows first the new Dnepr industrial district, which comprises several cities, new or renamed, all forming units of interrelated production and electrified manufacture. Here iron ore was smelted into pig, converted into steel, and rolled; here coke was burned, and the gases used either as fuel or as the source of countless chemical byproducts; here alloy steels, aluminum, and magnesium were manufactured. In one city, Zaporozhye, there were produced thousands of harvester combines annually; in another, a large cement mill was in operation. The railroad to Krivoy Rog was electrified. Up the river from the dam lay Dneprodzerzhinsk, with a large metallurgical works, and Dnepropetrovsk, with metallurgical and metal-working plants, both on the right bank; and on the left, Nizhnedneprovsk, similarly devoted to ferrous metal manufacture.

Besides these new metallurgical cities, others have grown up east of the Dnepr, supplementing the older cities, also expanded. Smaller places renamed and rebuilt were Stalino, formerly Yuzovka, and Voroshilovgrad, previously called Alchevsk. New was Kramatorsk, claimed to have one of the largest plants in the world producing machinery for metallurgical factories. Gorlovka specialized on equipment for the mining industry; Voroshilovgrad boasted a new locomotive plant, the old one being scrapped. From materials at hand in the Basin, brick, refractories, and glass were turned out in a number of plants. And the electric power put out by all the stations energized all the cities, old and new, the latest output figure standing at 9,000,000,000 kilowatt-hours in a year.

The administrative center of the Donets Basin, though north of the limits of the coal field, is Kharkov, an old university town, now with industrial suburbs stretching out in all directions. This city was conspicuous for the variety of the products of its many plants and factories, of which a tractor plant was chief, followed by locomotive and car-building shops, a huge agricultural machinery factory, an electric turbo-generator plant, a lathe and machine-tool factory, and foodstuff, chemical, and textile mills. The administrative and university buildings, now destroyed, set Kharkov apart from its neighbor cities to the south.

A list of the industries built up since 1928 in the Donets Basin on the foundation of the natural resources of the district would include hundreds, many of

them created in recent years. Chief among the latter were the chemical plants, utilizing coke-oven gases, salt deposits, and industrial byproducts. Aluminum and magnesium have been mentioned. Building materials for housing were turned out in huge quantities, to satisfy local demands, particularly insistent in the coal towns, where the housing conditions had been bad for years.

Social Progress

With the increasing industrialization of the Donets Basin and the growth of the urban and mine populations, the Soviet Government had taken decisive steps to improve living conditions, which in some sections were so bad as to cause extremely high labor turn-over. In the new cities it was comparatively simple to lay out the factory sites, streets, and spaces for parks on the generous scale now standard for the towns created in various parts of the Soviet Union. In the older ones, replacement of superannuated factories with new gave an opportunity to reconstruct the lay-out in conformance with a general city plan, and to provide space for ample housing, recreation, and social facilities.

As a result, the mud huts and caves once used by the miners became a thing of the past, and permanent dwellings, often apartment houses owned by the workers' cooperatives, replaced them. Park, stadia, theaters, and motion-picture houses were provided, while schools, institutes, and universities multiplied enormously. In a Soviet release it was stated that the rising level of education among the Donets miners had resulted in the staffing of many mines with mechanics, engineers, and even managers

risen from the ranks, while 17,600 children of miners were attending the mining institutes and technical schools in various cities of the Donets Basin in the 1940-41 school year.

Transport in Donets Basin

As pointed out earlier, the real development of the Donets coal field began only after it was connected with the north and west of Russia by rail, in the 1860's. Railroad construction has continued, up to and since the Revolution: branch roads have multiplied, trunk roads have been extended, and as late as 1939 a new main-line road, from Moscow to the Donbas, was completed. Krivoy Rog and Nikopol ores could thus be easily shipped to any point in the Basin. A new road connected it with Mariupol, the coal port on the Sea of Azov; in this city a newly built smelter obtained ore by water from Kerch, in eastern Crimea. It is estimated that more rail freight reached the stations of the Ukraine Republic, chiefly those situated in the Donets Basin, than did in all of Russia before the Revolution.

While coal was shipped in the Basin by rail, oil was brought by pipe line from Grozny in the northeast Caucasus; from the terminus at Trudovaya it was distributed to Makeyevka, Nikitovka, and other industrial centers. Eventually the line was to be extended westward, as far as Kiev.

Many of the Donets cities had electric car and bus lines for urban transport, and lay on rivers which also serve as highways for passengers and freight. Several towns so situated had shipyards where river craft were fabricated.

(Continued on p. 32)



Pouring cast iron from a mixer in the "Zaporozhstal" plant—at Zaporozhye, which was recaptured a few days ago by the Soviets.

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Subsidies

in British and Canadian Price Control

By JOSEPH H. BARKMEIER and WINIFRED R. MARONEY, *British Empire Unit, Bureau of Foreign and Domestic Commerce*

THE WARTIME INFLATIONARY TENDENCIES arising from expanded national income and a reduced supply of civilian goods have been attacked from many angles by the British and Canadian Governments—such as heavy taxation and national savings campaigns to withdraw excess purchasing power, rationing of necessities, price controls over goods and services, and the stabilization of the cost of living by means of subsidies. The use of Government subsidies has been only one of the principal means applied in the United Kingdom and Canada to check rises in living costs, since, as has been frequently emphasized by the British Chancellor of the Exchequer, "there is no single sovereign remedy" to control inflation.

A brief analysis of the price-control subsidy systems of the United Kingdom and Canada is of interest because of the divergent economies of the two countries, particularly with respect to foodstuffs which constitute such an important component of the cost-of-living indexes. The United Kingdom, with its greater dependence on imports and its smaller geographic area making control of supplies more easily obtainable, has apparently encountered fewer complications in its subsidy program than Canada, which is a major producer and supplier of foodstuffs and which, because of its extensive area, has more pronounced regional variations.

Britain

British Subsidy Experience

The Chancellor of the Exchequer issued the first public announcement on February 1, 1940, of the Government's decision to absorb, from public funds, at least temporarily, such losses as were necessary to delay and check the abruptness of increases in the cost of staple foods. The food index which at the beginning of September 1939 stood at 138 (1914=100) advanced to 157 at the end of November. The position at the beginning of December 1939 was that further increases in food prices would have been necessary if the operation of the Food Control were not to involve a loss

to the Exchequer—owing particularly to the increase in the cost of imported foods which resulted from a number of causes such as the devaluation of the pound, higher freight rates, and war-risk insurance. The cost of this program from December 1939 to February 1940 was stated to be running at the rate of £1,000,000 a week, arising principally from holding the prices of such articles as bread, flour, meat, and milk.

The British subsidy program apparently began as a tentative operation to slow down price rises, but the pressure of advancing costs of imports and other increased costs gradually caused an expansion of the system, and in April 1941 the Chancellor of the Exchequer definitely committed the Government to the stabilization policy to prevent further increases in the cost of living. The Chancellor stated:

"For some time past it has been our policy to check any excessive rise in prices due to such higher costs by means of the centralized purchasing of imported foodstuffs through the Ministry of Food and the control of the margins and selling prices of distributors, but after a time it became apparent that these measures by themselves would not be sufficient to prevent food prices from rising, if the Ministry of Food were to run, as was first intended, on a self-supporting financial basis. It was, therefore, decided to allow the Ministry of Food to incur substantial trading losses which we have carried upon the Exchequer.

"In this way we have borne upon the Exchequer a considerable and increasing burden, now ranging at about £100,000,000 a year, in order to keep down the cost of living, but for the most part it has been articles of food only that we have attempted to subsidize in this way. Similar causes are, however, increasing—costs of other goods and services. There is this prospect of a continuing further rise in the cost of living unless the Exchequer is prepared to undertake a much greater burden. If this rise were to occur, it might lead to further rises in wages and other repercussions.

"In these circumstances I have included in my estimated expenditure a margin to provide for important extensions of the principle of subsidizing essential goods and services. In other words I am prepared to carry a considerably increased burden on the Exchequer in order to prevent or minimize the impact of increased costs, particularly of imports and of transport, on the prices

of essential goods and services, apart from any increase in their prices rendered inevitable by further increases in wage rates. * * *

"I propose to continue and extend the policy of stabilization in an endeavor to prevent any further rise in the Cost-of-Living Index number, apart from minor seasonal changes, above the present range of 125-130 in terms of the pre-war level."

Wages Policy

The British Government has not attempted to establish a rigid tie-up of wages to the cost-of-living index, but, in a White Paper on Price Stabilization and Industrial Policy issued in July 1941, it expressed the hope that the stabilization policy would "create conditions which will enable the wages situation to be held about where it now is." The White Paper stated that the policy was to avoid modification of the existing machinery for wage negotiations and to continue to leave the various voluntary organizations and wage tribunals free to reach their decisions in accordance with their estimates of the relevant facts, but it emphasized that increases in wages would defeat their own object unless such increases were regulated in a manner that would make it possible to keep prices and inflationary tendencies under control.

Subsidy Methods

Britain's subsidy expenditures are incurred in a number of ways, but the most important is the trading loss method which does not involve payments to manufacturers or traders. Since the Ministry of Food is the sole importer of food products, and the sole purchaser of many agricultural commodities produced in the United Kingdom, it merely sells to distributors below actual costs—the difference between cost of acquisition and selling price constituting the subsidy.

Prior to the war Britain imported about two-thirds of its food requirements, but greatly increased domestic production has reduced its dependence on foreign supplies to about one-third of its total needs. In the case of imported foods, the Ministry absorbs higher world prices and increased shipping and insurance rates.

The Ministry of Food purchases the major food products raised in Britain at fixed prices which take into consideration the farmers' higher costs of production, particularly much higher farm wages, and then in some instances sells to proc-

essors and distributors below cost and fixes the prices at which foods can be sold to consumers.

In some cases subsidies are paid to producers to encourage production. For example, a subsidy of £2, subsequently increased to £3, per acre has been paid to farmers who plowed up grassland to raise food crops; this payment increases vital food supplies, particularly wheat, without raising the general level of prices to all producers. All potato growers receive a subsidy of £10 per acre; this was designed to stimulate greater output and to reduce the financial risk to farmers who had had no previous experience in potato raising, but it also permitted a corresponding reduction in the price per ton paid to the growers.

Subsidies have also been used to offset increased transport costs, and to compensate producers for special costs. Under the National Milk Scheme, milk is supplied to children under 5 years of age and to expectant and nursing mothers at less than half the standard retail price, or free if the family income is below a certain level. Under the school-meals scheme, children receive milk at a subsidized price.

Stabilization Policy's Results

Since April 1941 when the British Government made a definite commitment to hold the cost of living stable, the index has fluctuated between 198 and 200 (1914=100), and at no time has it risen higher than 30 percent above the pre-war levels. The food index in recent months has been maintained at 20 percent above the level of September 1939 as compared with 23 percent in April 1941.

The reduction in the clothing index from 405 in August 1942 to 350 in June 1943 has been effected by the increasing sales of utility clothing and the remission of the purchase tax. Both utility and most nonutility clothing (other than furs and silks) were formerly subject to the purchase tax at the rate of 16½ percent of the wholesale value, but, effective from August 3, 1942, utility clothing (now constituting more than 80 percent of all clothing produced) was exempted from the purchase tax which alone accounted for a reduction of 10 to 12 percent on the retail price. Rental controls have kept the rent index stable, but increases in the fuel and light and miscellaneous items have been sufficient to just about offset the reductions in food and clothing. In the case of furniture, 100 percent of current production is utility furniture which is exempt from the purchase tax.

In discussing the subsidy policy in his budget speech on April 12, 1943, Britain's Chancellor of the Exchequer said: "The success of our stabilization policy has been achieved by a firm control of prices, coupled with some application of subsidies and remission of taxation when control has been secured. It has been a cardinal point of policy that subsidies and tax remission should not be granted until an effective control of prices, and in most cases of supply, has been obtained. . . . In pursuance of this policy, control has been extended step by step over the prices of food and other

essential commodities, and in respect of food prices control now covers probably 90 percent of the average housewife's expenditure."

In response to an inquiry from a member of the House of Commons on October 15, 1942, as to the extent that the cost of living had been reduced by subsidies granted for the purpose of pegging the cost to the consumer of rationed goods, the Minister of Labour made the following statement: "It is estimated that if the cost of items included in the cost-of-living index, in respect of which subsidies are being paid by the Ministry of Food, were to increase by amounts equivalent to those subsidies, the cost-of-living index would be raised by about 20 points, or 10 percent, over its present level. It is impossible to estimate what would be the effect on the cost of living if all the other measures taken by the Government to stabilize prices were discontinued."

A Ministry of Labour survey for the last week of January 1943, shows that industrial earnings (as distinct from wage rates) of 6,500,000 persons in a number of manufacturing industries have continued to rise, though the rate of increase has slowed down considerably. Average earnings were 65 percent over the October 1938 level, as compared with 59.9 percent in July 1942. Only 26 to 27 percent of the increase was due to higher wage rates, while the rest was attributable to an extension of piece rates, higher output and increased overtime.

Demands from various labor groups for further wage advances continue, but so long as they are kept within reasonable limits there does not appear to be the great concern expressed earlier in the war regarding inflationary results—pre-

sumably because strict controls over limited supplies give little opportunity for additional personal expenditures. The Chancellor of the Exchequer in his budget speech of April 12, 1943, pointed out that the valuable but costly stabilization policy depends upon the wise use of the machinery for wage negotiations and that there is still need for vigilance. He stated that the wage policy had also been successful in two important matters, namely: "It has helped to maintain the sense of responsibility and self-government which has characterized our industrial system for so many years. It has also done much to foster that industrial peace which has played such an important part in our war effort."

Cost of Food Subsidies

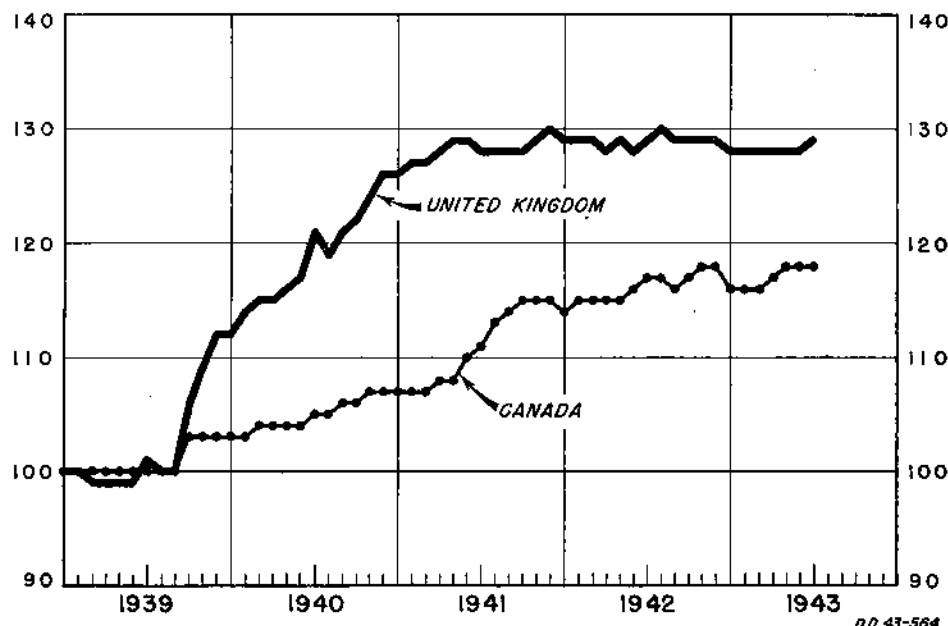
Direct food subsidies which were inaugurated by the British Government toward the end of 1939 were running at the rate of £55,000,000 per annum during the first half of 1940, at the rate of £89,000,000 during 1941, and at the approximate annual rate of £137,000,000 in the quarter ended March 31, 1942.

During the year to March 31, 1943, the amount spent to maintain level prices for staple foodstuffs was approximately £145,000,000. This sum was distributed among the principal subsidized foodstuffs as follows:

Bread, flour, and oatmeal	£35,000,000
Meat	23,000,000
Potatoes	23,000,000
Milk	11,000,000
Eggs	13,000,000
Sugar	16,000,000
National milk and milk in schools scheme	17,000,000
Tea, milk products, bacon, and other small items	12,000,000

COST OF LIVING INDEXES

(JANUARY 1939 = 100)



For purposes of comparison in the above chart, the official British and Canadian cost-of-living indexes were converted on the basis of January 1939 equaling 100. The British index, which is issued by the Ministry of Labour, was actually 155 for January 1939 (July 1914=100), and the Canadian index, which is issued by the Dominion Bureau of Statistics, stood at 101 (1935-39=100).

The cost of the foregoing items totals £150,000,000, from which must be deducted profits on other commodities, chiefly cocoa and oils and fats, amounting to £5,000,000.

In the case of the principal commodities concerned, the subsidies represent a saving to consumers of the following amounts: Bread, 2d. (3.3 cents) per quarter (4 pounds); flour, 3½d. (5.8 cents) per 7 pounds; meat, 1½d. (2.5 cents) per pound; milk, ½d. (0.8 cent) per quart; potatoes, 3½d. (5.8 cents) per 7 pounds; eggs, 1s. 9d. (35 cents) per dozen; sugar, 2½d. (3.8 cents) per pound on sugar other than for manufacturing purposes. In addition, the national milk scheme provides for the sale of milk at 2d. (3.3 cents) per pint (or free) to beneficiaries as compared with the current retail price of 4d. (6.6 cents) or 4½d. (7.4 cents) per pint.

Total subsidies for 1943, including transport, agricultural, and other items in addition to the direct food subsidies, are estimated at about £210,000,000, if the special health schemes, for milk and vitamins, are included, or at about £188,000,000 if these are omitted.

Canada

Canada Seeks to Control Wages

In the case of Canada the evidence of a recent Wartime Prices and Trade Board report is that the attempt to hold the cost of living stable has not been remarkably expensive. A total of only \$65,000,000 was paid out for subsidies as such in the 16 months from December 1, 1941, the beginning of general price control, to March 31, 1943. If the trading loss on the bulk purchasing of certain imports

(dried fruits, coffee, tea, peanuts, copra, coconut oil, cocoa, spices, etc.) is included, the expenditure has been less than \$70,000,000.

This is not a wholly complete picture of what price control has cost, in that the Canadian Wheat Board has intervened importantly in the bread situation by releasing wheat at low prices from its large stocks, but it is not possible to segregate these expenditures. In any case, however, the outlay has not been large, either in relation to the total war budget (which is about \$5,000,000,000 for the current fiscal year) or to the probable savings that price control has brought to consumers through the avoidance of higher price levels (which is estimated at more than \$300,000,000 for 1942). While the going has not been altogether smooth and the handling of some items has been marked by expedients, the objective has been attained.

From the enactment of over-all control to the date of the report, there was only a slight rise in the cost-of-living index. On November 1, 1941, a month before control, it stood at 116.3 of the 1935-39 base; on April 1, 1943, it stood at 117.6. Thus a rise of only a little more than 1 percent had been recorded, which had been extended by August 1 to about 2.5 percent. In the United States, meanwhile, the cost-of-living index rose by 12.4 percent.

In connection with these results it may be said that the sources of inflationary pressure are perhaps not as great in Canada as in the United Kingdom. In one respect, however, the Dominion has made subsidies more important by adopting general wage control with a system of wage bonuses which fluctuate accord-

ing to the fluctuations in the official cost-of-living index.

The interlocking of the price control with wages is a weapon which cuts both ways in the fight with inflation. So long as prices can be kept from rising, the wage control keeps production costs down, but there are immediate and automatic reflections in wage rates as soon as the price control gets out of hand. It has, therefore, been imperative for Canada to keep the cost-of-living index practically stable, and the use of subsidies which constitute the last line of defense against price increase, has been for that reason an inescapable feature of the Dominion's economic policy.

Payments Are Selective

The details of subsidy payments by the Canadian Government, as set forth by principal items in the table on page 9 show a highly interesting and to a considerable extent unpredictable development. While a wide range of goods is subsidized, payments are strikingly concentrated. Only two items on the food list and two or three on the nonfood list are large, and they monopolize a great part of the total outlay.

About \$29,000,000 of the total of \$65,000,000 which can be segregated by commodities was paid out for food, and, of this, \$19,000,000 went for milk and butterfat. Of \$36,000,000 spent on nonfood items, a subsidy to petroleum took \$24,000,000—specifically to balance out increased transportation costs on gasoline made necessary by rerouting to avoid submarine warfare and to supply the greatly expanded requirements of the air force and air-force schools.

After these large outlays, there was a big drop in the level of payments, even for such widely distributed items of general consumption as canned goods and groceries, which got \$2,000,000 or \$3,000,000 each.

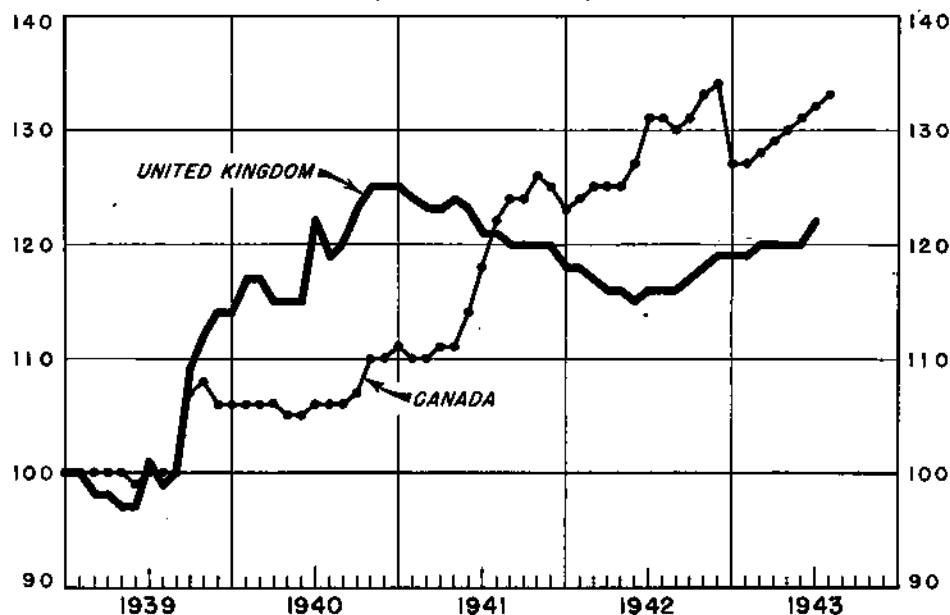
On the whole, according to its report, it appears to have been the Board's experience that the pressure toward price increases was not very great in the vast majority of commodities. Only a few showed strong and persistent trouble which it was impossible to overcome by other means than the payment of Government funds.

In these few, the case of *animal products* is outstanding and of particular interest to the United States because, in the main, the conditions of the war years have been about the same for these products for both countries. On the demand side, there has been rising consumption, consequent on the increase in wage earners' purchasing power plus increased needs for the military and for Allied feeding requirements. On the supply side, there has been an acute shortage of manpower which has been added to the other handicaps of production arising from higher feed and farm-wage costs.

Against this background, Canada's control policy has developed a number of complications resulting from the need to keep supplies coming forward, not only at the pre-war level but on a considerably increased scale. In dairy products, subsidies have been used rather freely

RETAIL FOOD PRICE INDEXES

(JANUARY 1939 = 100)



D.D. 43-563

For purposes of comparison in the above chart, the British and Canadian retail-food-price indexes were converted on the basis of January 1939 equalling 100. The official British index, which is issued by the Ministry of Labour, stood at 138 for January 1939 (July 1914=100), and the Canadian index, issued by the Dominion Bureau of Statistics, stood at 99 (1935-39=100).

to give producers an incentive as well as to effect reductions to consumers, which have exerted a marked downward pressure on the cost-of-living index. In meats, however, prices have been allowed to rise, although by way of fixed retail and wholesale prices which have limited distributors' margins.

Principal Subsidies Paid by Canadian Government, December 1, 1941, to March 31, 1943

Item	On domestic goods	On imports
Total payments.....	\$30,999,920	\$34,161,386
Food.....	25,177,016	3,362,026
Butterfat.....	10,515,133	
Milk.....	8,740,100	
Canned goods.....	1,773,828	
Groceries.....	1,536,573	
Strawberries.....	72,285	
Peaches.....	52,990	
Apricots.....	41,824	
Cereal products.....	3,585	
Tea and coffee.....	2,682,398	1,198,680
Rice.....		474,367
Cocoa beans.....		683,033
Prunes.....		471,244
Oranges.....		122,889
Grapefruit juice.....		212,539
Ginger and spices.....		54,192
Edible gelatine.....		47,762
Nonfood.....	5,822,904	30,799,350
Petroleum.....		24,028,437
Fibers and textiles.....		4,109,026
Cotton linters.....		182,259
Cotton yarns.....		55,064
Cotton fabrics.....		2,242,885
Sisal fibers.....		1,054,291
Horsehair.....		135,913
Viscose fiber.....		141,142
Yarns of artificial silk.....		130,753
Raw hides and skins (pickled sheep and lamb).....		699,981
Garment leather.....	1,283,519	
Footwear.....	3,272,490	
Coal and coke.....	1,185,647	349,455
Broom corn.....		359,636
Articles entering into the cost of fertilizers.....		278,582

¹ Rollback of December 1941 applicable to inventory—hence "domestic."

Milk Subsidy Important

According to the Board's report, the first subsidy to milk for human consumption was paid in the winter of 1941-42 almost immediately after general price control had been promulgated in December 1941, with ceilings based on the level of prices prevailing in September-October of that year. Thereafter it became obligatory for all units in the chain of distribution to charge not more than they did in the basic period September 15 to October 11.

As was true of many commodities, however, Canada discovered that there was unevenness in the effect of the ceiling on individual producers. Some areas had experienced price increases of recent date, which set their ceilings higher than in other areas where there had been no change. To right this situation, a subsidy of 30 cents per 100 pounds was paid in the areas in which there had been no price increase since August 1, 1941. It was discontinued in the spring of 1942 in favor of a general revision of prices which allowed increases in the ceilings in the areas which were "out of line."

Over the summer of 1942, however, producers' dissatisfaction again became vocal, and the subsidy was introduced again in September in certain areas

where supplies seemed on the point of falling. The subsidy was scheduled to be raised to 55 cents per 100 pounds beginning October 1, and, so far as is known, applies to all areas. Thirty cents per 100 pounds will also be paid on milk used for concentration purposes, and on milk used in the manufacture of cheddar cheese.

In November 1942, it was decided to give Canadian consumers the benefit of a reduction in the price of milk (and some other commodities) so as to keep the cost-of-living index from going over the wage bonus point. The amount of the reduction for milk was made 2 cents per quart. The price control is now paying distributors this 2 cents, which they pass along, making the price of milk to consumers lower than at the outbreak of the war.

It is important to note the effect of this big reduction on the milk component of the cost-of-living index. It has been lowered from 112.8 in December 1942 to 95.4 as from January 1, 1943.

The subsidy on butterfat which has been paid since July 1942 is in the nature of a revision of early policy which produced unexpected results. Early in the war effort Canada agreed to increase cheese exports to the United Kingdom, and, in that connection, the Dominion and some of the provincial governments bonused the output of quality cheese to insure large-enough supplies. Factory milk, however, was thereby diverted from butter, and that commodity came under pressure in the winter of 1941, with summer production in 1942 threatening to go below the point of insuring a proper growth of stocks.

To restore the situation, the Government began to pay 6 cents to butterfat producers as from July 1942, raising this figure to 10 cents per pound over last winter. Since the spring of this year 8 cents has been paid, and a floor price has been in effect to keep prices up in the period of heaviest production. The 8 cents subsidy will be continued until December 31, after which 10 cents will be paid from January 1 to April 30, 1944. The difficulties of maintaining the proper balance between cheese and butter production, however, are indicated by the fact that a subsidy to cheese (by way of milk as previously mentioned) will once more go into operation.

Meat Prices Allowed to Rise

Ordinarily Canada has a considerable surplus of meat—enough of both beef and pork to permit a sizable export. When the war began, however, the country took on a heavy commitment for bacon shipments to the United Kingdom, which commitment has been successively enlarged with the passing years. To permit the fulfillment of this obligation, it has been necessary to restrict the amount of pork available in domestic trade. Beef supplies, therefore, have come under a double pressure—from a rising industrial living standard as well as from the substitution of beef for pork in the general diet.

The cattle stock has been in a relatively good position to withstand the strain of

this extra load. On the basis of the recent past cycle of abundant and comparatively low-priced grains, herds have been increasing, and they will reach a new peak this fall. In spite of growing supplies, however, there have been periods in the big industrial centers in the past year when distributive channels have had all the appearances of scarcity and consumers have been unable to satisfy their wants.

The disappearance of supplies has stemmed from the fact that when price control was adopted, meat prices were controlled, but cattle prices, along with other products sold off the farm, were not. A squeeze developed at the packing plants, which claimed they could not continue to buy cattle on the rising cattle market and operate without loss under the ceilings.

There have been various convolutions in Government policy for the purpose of establishing workable ratios between cattle and beef prices. In the course of these, ceilings for cattle have been set, on an advancing scale until June of this year, and beef prices have been allowed to rise. The Board says of this action that prices have been set in beef at levels "somewhat higher than consumer interest would like and in cattle somewhat lower than producers had recommended."

The embargoing of beef-cattle exports to the United States and the rationing of meat consumption have also been adopted as aids in holding the market down. At present a complete price schedule for beef has been set from producer to consumer under which, but not over which, there may be some fluctuation seasonally. Pork prices have also risen because export demands are so heavy that some incentive to production is desirable.

Index Numbers

The table, shown on next page, of index numbers of certain retail food prices in Canada clearly demonstrates the varying policies which have resulted in increases in prices of some foods and the roll-back in others.

The Squeeze in Manufactures

These examples indicate some of the purposes of subsidy payments as developed in Canada—to reduce retail prices, and to provide an incentive to production. Another orthodox type of payment, represented by the subsidy paid on groceries and canned goods, is intended to absorb the "squeeze" in price stabilization resulting from the time lag in the distribution of processed or manufactured goods. In the establishment of the Canadian ceilings regulation, each manufacturer and distributor was obligated by his maximum prices for the period September 15 to October 11, 1941. Manufacturing costs, however, were by that time out of line with retail costs, which were based on production of some months earlier. Replenishment of retail stocks was therefore not possible without some means of paying manufacturers more than retailers were able to give.

Index Numbers of Certain Retail Food Prices in Canada

[1935-39=100]

Date	Beef, sirloin	Pork, fresh	Milk* (fresh)	Butter, creamery	Potatoes	Bread, white	Tea *	Total food index	Total cost-of-living index
Aug. 1, 1939	110.7	105.8	100.0	88.7	120.4	98.4	105.6	99.3	100.8
Nov. 1, 1941 (before general price control)	135.2	133.2	111.0	121.7	113.4	104.8	151.2	125.4	116.3
Dec. 1, 1941 (when control was imposed)	133.6	132.4	111.0	124.6	113.6	104.8	153.2	123.8	115.8
Nov. 2, 1942 (before rollback of items marked thus: *)	150.2	138.1	112.8	129.4	153.1	104.8	156.3	132.4	118.6
Dec. 1, 1942 (after rollback)	150.2	138.9	112.8	132.7	154.7	104.8	156.3	132.8	118.8
Mar. 1, 1943	154.9	140.3	95.4	129.4	170.9	104.8	138.4	127.7	117.2
Apr. 1, 1943	156.5	142.1	95.4	129.4	181.0	104.8	133.4	128.7	117.6
May 1, 1943	158.1	143.3	95.4	129.1	194.6	104.8	138.7	129.9	118.1
June 1, 1943	160.1	145.7	95.4	128.5	202.3	104.8	138.7	130.9	118.5
July 2, 1943	160.5	146.2	95.4	125.9	210.1	104.8	138.7	131.8	118.8
Aug. 2, 1943								133.2	119.2

In the great majority of products, the Board made efforts to get the manufacturers and distributors to share this problem by dividing the increased cost of manufacture between them. In many industries a comprehensive program was then embarked upon to reduce costs by simplification and standardization of the product and the curtailment of special services. In the case of food products, the small margins of profit on which many traders work made such an arrangement impracticable. The "squeeze" was in these instances rolled back on the manufacturers who were subsidized by amounts sufficient to make up their losses.

As has already been said, payments in these cases have not been large individually. In that connection it is to be noted that the tax laws have been an important adjunct of price control. The revenue acts made during the war have been so framed that firms whose profits rise higher than 116½ percent of pre-war profits are liable to excess-profits tax, and subsidies, to the extent that they contribute to profits so taxable, either are not paid or are refundable. In addition, all firms pay a 30-percent basic income tax, so that it is impossible, even with the subsidy, to retain more than 70 percent of the profits of the standard years 1935-39.

Adjustment on Imports

In the case of imports, it is significant that some part of the costs which would otherwise have been put on the subsidy organization has been absorbed by the adjustment of tariffs and various indirect taxes. In a good many of the commodities which had to be sold at the 1941 ceiling, regardless of rising prices in the country of production and higher costs of transportation, the remission of taxes (including the special 10-percent War Exchange Tax laid on imports from non-sterling countries), made enough of a change in the laid-down cost to importers to permit them to carry on. In general, then, the subsidies paid on imports are to be interpreted as expenditures over and above some loss of revenue which does not appear in the subsidy account.

In the case of oranges, tea, and coffee, the amounts shown as paid out were stepped up considerably by the inclusion of these commodities in big reductions made in consumer prices from December

1942. Tea was reduced 10 cents per pound and coffee 4 cents per pound. Reductions on oranges varied with size but were substantial enough to bring the retail price in Canada's Border Cities below the cost in the neighboring communities of the United States. Thus the mid-winter increase in the cost-of-living index was prevented. Only in midsummer had that index got back to the point at which it stood when the plan to cut back consumer prices was introduced. An increased cost-of-living bonus has been averted, therefore, for more than 6 months.

Subsidy Cost Tends to Rise

Under present conditions, the problems of subsidies tend to increase, in Canada, as the period of price control lengthens. Prices do not remain rigid, and, while it has been feasible to depress some items, by various expedients, it has not been possible to suppress all tendencies to price increase without much more extensive regimentation of production and consumption than democratic governments are willing to undertake.

On the matter of cost, even, there have been frank statements from the members of the Canadian Government that it would be impossible to subsidize everything. Moderate increases in the cost of subsidies, however, are envisioned. In the current fiscal year, it is expected that as much as \$200,000,000 may have to be expended in addition to the \$65,000,000 already accounted for. A few months ago, when the budget for 1943-44 was presented to the Parliament at Ottawa, the estimate was \$120,000,000—the recent "hike" reflecting the expectation of a comparatively poor crop return this year as compared with 1942's bountiful output.

It is, however, not only the cost of subsidies that has to be debated. The pressure on both producers and consumers engendered by the various conditions of the war effort have raised problems, chiefly political, as to how and where subsidies are to be paid. As in the United States, agriculture in Canada is not too well satisfied with the theory of price control as it affects returns for the farmers' production. Consumers, and particularly wage-earning consumers, are impressed with some features of price control but are unwilling to accept the cost-of-living index as an indication of their actual experience with expenditures.

The stability of the index in the last year has increased their irritation, and they say that if it does not show that food costs more this year than last year, particularly in the large centers of wartime industry, it is not representative. Government propaganda has been at pains to explain the purpose and composition of the index, its weighting, and other pertinent factors, but the dissatisfaction continues, probably because many fruits and vegetables which are more expensive this year are not in the index, so that they do not register.

To a degree, then, the theory of subsidy payments puts the Canadian Government under pressure to decide between consumer subsidies, which have an immediate and marked effect on the cost-of-living index, and producer subsidies, which act indirectly and often raise a conflict as to the point in the marketing process at which they will be paid.

Even more serious from the viewpoint of the continued success of price control, there is a marked restiveness on the part of Canadian labor with respect to the general theory of wage control. Owing to differences in regional economic structure, there have always been regional differences in basic wage rates in the Dominion. The effort to freeze these as permanent features of wartime production, however, has had a tendency to break down before the introduction of whole new industries, such as shipbuilding and aircraft, in regions which previously depended to a great extent on lower-paid extractive lines.

With the development of skills, and with a manpower shortage, also, labor organization has been gaining ground where previously it was notably weak. Despite control, wage rates have been creeping upward. The move for revision in basic rates, particularly in the lower ranges, has been gaining force and is lately reported to have the support of a national commission which has been reviewing general labor problems.

Swiss "Fruit Flour"

An educational program is being carried on in Switzerland to promote the sale of pastry flour made of fruit, according to the foreign press. This flour is said to contain 50 percent dried fruit and some fruit sugar, as well as wheat flour, sugar, nuts, and skimmed milk. By mixing the flour with water or milk, a housewife can make many kinds of pastries, saving ordinary flour, sugar, and fat for other purposes.

In pre-invasion days in the Netherlands, potato peelings were given to the pigs to eat; now the Nazi authorities want them. The Nieuwe Rotterdamsche Courant recently printed a decree ordering that peelings must be saved and delivered to the official collectors. Persons who dispose of them by throwing them into garbage cans or on rubbish piles are liable to a fine of 1,000 guilders (\$540) or imprisonment up to 6 months.

The Kuriles—

Strategic Island Stepping-Stones, Lying Athwart Northern Trade Routes

By ILLARION G. MATVEEV, *Far Eastern Unit, Bureau of Foreign and Domestic Commerce*

WHEN THE COSSACKS, those tireless builders of the once mighty Russian Empire first glimpsed the chain of islands south of Kamchatka, they called them Kuriles,¹ which in Russian means "smoking." This name, by which the islands are still known, is an accurate expression of their geological character. Volcanic in origin, their numerous mountains, appearing through the mist and fog that almost everlastingly enwrap them, give the impression of smoking islands.

The Kuriles are merely the tops of nearly submerged mountain peaks which constitute a continuation of the Stanovoi Range that goes almost through the center of Kamchatka, down to Hokkaido (the large northernmost island of Japan Proper), and serves as a dividing line between the Pacific Ocean and the Sea of Okhotsk. They are formed of huge rocks thrown up from the bottom of the ocean by numerous volcanoes, many of which are still active and constantly throwing new rocks to the surface—to the surprise and dismay of even experienced navigators cruising along the coasts.

Their almost inaccessible cliffs, the swift currents and treacherous vortexes of the Kurile waters, as well as the sudden storms common to northern regions, cause the masters of ships, generally, to keep well clear of the islands.

Their scarcity of natural resources, the severity of their climate, the dangers of being buried in the depths of the ocean

by frequent earthquakes, make the islands unattractive and undesirable for human abode. Perhaps it is for these reasons that little attention has been paid the Kuriles, almost since their discovery.

But the present struggle in the Pacific has put the Kuriles in the headlines. Claims are persistent that the islands constitute Japan's "first line of defense," and serve as strategic bases for the control and observation of naval and air communications across Okhotsk and the northern Pacific, including the regions of Alaska, the Aleutians, and Kamchatka.

Role as Aviation Outposts

The importance of the Kuriles for aviation purposes perhaps overshadows all other considerations, for they are situated in the region known as the "place of origin" of weather. On the northwest they are washed by the cold Kurile current, carrying southward ice fields and icebergs from Okhotsk. On

the southeast, they are swept by the warm waters of the Japan Current of Kuroshio. The confluence of these currents along the chain of the Kurile Islands is said to be the cause of storms, moving from the Kuriles in different directions.

Hence, he who controls the weather observation points of the islands appears to be in a position to have advance information on the strength and movement of winds, and is thus likely to have some strategic advantage in the air routes between North America and eastern Siberia.

Japan and the Kuriles

The Kurile Islands, known in Japanese as Chishima Retto (Thousand Island Archipelago), were ceded to Japan by Russia in 1875. It is said that the islands were discovered by the Dutch navigator Martin de Vries in 1634, but the Japanese had been acquainted with the islands from earlier days. There had been repeated piratical attacks on them, in which Japan's warrior knights, the samurai, made it a business to hunt down their "barbarian" inhabitants for the sake of glory. The very title Sei-i-Tai Shogun—Great Subduer of Barbarians—adopted by various medieval military usurpers of the power of the Mikado, suggests the importance attached to the subduing of the "barbarians" who were the Ainu, aborigines of Japan.

In later Japanese history, the name shogun became the title of the de facto ruler of Japan, but in the early period of the shogunates it was concerned primarily with warfare against the Ainu. The latter, for the sake of self-preservation, began their retreat from Kyushu and the southern islands first to Honshu, Japan's main island, then to Yezo (Hokkaido), and finally to the Kuriles. Japan's insatiable warriors followed them closely, killing the men and, often, marrying the Ainu women. No benefit has been derived from these intermarriages, however, it is claimed, for the half-breeds are said invariably to die out in the second or third generation.

Ainu and Present Population

The Ainu ("men" in their own language), anthropologically closely resemble "Aryans," or the Caucasian race, but their language has nothing in common with that of any other living people.



Photo by Sten Bergman.
Sea-otter skins, Kurile Islands catch.

¹ In the annals of Russian history the Cossacks are credited with great services rendered to Russia, including the following: (1) Under Yermak Timofeyevich and Ivan Koltzo they defeated the Tartar, Khan Kutsum, at his capital Iskar, near the present Tobol, in 1581. In the next year they "bowed to Ivan IV, Vasilievitch, Grand Prince of Moscow, and Tzar of All Russias with the Tzardom of Siberia (Khanate of Kutsum)." (2) In July 1639 the Don Cossacks, together with Cossacks of Zaporozhia, conquered Azov and were the chief instruments in the incorporation of the land south of Poltava with Russia. (3) Cossack Semeon Dezhnev reached the easternmost point of North Asia in 1648—the Eastern Cape, sometimes known as Cape Dezhnev—and added to Russia the territory known as Yakutsk and Kamchatka. (4) In 1776 the Cossacks helped the army of Catherine the Great to conquer the Crimea.

² Pronounced "Kurrelees."



Photo by Sten Bergman.

Almost "other-worldly" in its fantastic, lonely grandeur is this "crater lake of Ushishir" in the Kuriles.

They are generally credited with being the hairiest race of humans in the world, their luxuriantly thick beards and hirsute limbs giving them an appearance in strange contrast with the smoothness of skin typical of their Japanese masters. They are of sturdy build and distinguished by a flattening of certain bones of the arm and leg (the humerus and tibia), which has been observed in the remains of some of the cavemen of Europe—another indication linking the Ainu with the Indo-European races.

The women as a rule are considered attractive, but spoil their beauty by tattooing the upper lip. It is said that the motive behind this practice was to keep off the ravaging Japanese warriors; but that theory may be accepted with reservations, for the Japanese themselves are fond of such ornamentation. Tattooing, and more especially blackening of the teeth, used to be considered high marks of feminine adornment among Japanese belles throughout Japan, particularly in the northwestern part of the country where they are still practiced.

A Dying Race

The Ainu in the Kuriles were accustomed to live by hunting on the land and fishing the seas, but, with the occupation of the islands by the Japanese, both these sources of subsistence have diminished and the Ainu are well on the road to extinction. Two or three hundred years ago the Ainu population of Yezo, Sakhalin, and the Kuriles was about 100,000. By the end of the eighteenth century it had diminished to 17,000, and at present it could be counted by hundreds. In 1884 the Japanese Government, in order to cut off the Ainu from contact with the outside world—presumably with Russia—compelled the populace of the northern Kuriles to fall back to the island of Shikotan, thus leaving the islands from Uruppu to Shumushu without a single inhabitant.

Present population figures for the Kuriles are not known. The figure of 12,000, given by some Japanese sources for 1935, appears to be too large if one takes into consideration that the presence of a numerous Japanese population could hardly be justified, either by climatic conditions, which as a rule are too severe for the rice-eating Japanese, or economic conditions on the islands which are noted for the scarcity of foodstuffs. But it is quite possible that in summer, during the busy whale-hunting and fishing season, the number of Japanese on the Kuriles could reach some 10,000 to 15,000, the majority of whom would be scattered among the southern islands where fish are abundant and the climate more mild.

Coming of the Russians

Discovery of the Kuriles by Western peoples might quite as plausibly be attributed to the Russians as to the Dutch, since the Cossacks, on their way down from the north in 1697, reached the southernmost part of Kamchatka, from which the northernmost islands, at least, were in sight. Exploration, however, was not attempted at that time. But in 1703 the Superintendent of Kamchatka, Vasil Kolesov, decided on their "conquest," an exploit upon which he ventured, accompanied by five other Cossacks, in 1706. He had no more than reached the first island off the Cape of Lopatka, however, when he was called back to quell a revolt which took place shortly after his departure, in Bolsheretzsk, seat of government in western Kamchatka.

On August 1, 1711, Ataman Danilo Antziferov, Cossack chieftain, and Captain Ivan Kozerevski, a Cossack cavalryman, chief culprits of the uprising of 1706, set off from Bolsheretzsk on an expedition to "add the land of the Kuriles to the domain of the Russian Empire" and, by so doing, "expiate their guilt." The expedition lasted for several months,

during which the Antziferov party explored only Shumushu and Paramushiro. With the assistance of Kamchadals (aborigines of Kamchatka) who understood the local language, they required an oath of allegiance from the native Ainu. They learned that the Kuriles were a long chain of many islands ending with the largest, "Matmai" (Hokkaido), to the south of which lay "Nippon" (Nippon), a great and populous state, rich in gold, silver, and copper, where cotton piece goods, velvet, and silk were manufactured, and where the "Nipponese" grew vegetables, rice, and tobacco in large quantities.

Another expedition in 1713, headed by Ivan Kozerevsky, to "get more definite information about the rich land of Nippon," ended with a failure due to the storms customary in the Kuriles, which scattered all the ships.

Since the Russian population on Kamchatka was negligible, it was impossible to send any further expeditions to the south of Paramushiro until fresh contingents could be available from Russia. At length, on May 17, 1766, Chirin—a Kamchadal-Ainu who knew the Ainu language—Ivan Chorni, Cossack chief of hundreds (Russian "sotnik"), and his clerk, Semion Voladimurov, were dispatched by the Bolsheretzsk authorities to find out all they could about the land and people of "Nippon." The expedition was able to penetrate only to Uruppu Island. Returning to Bolsheretzsk May 9, 1769, they brought with them "tribute" (Russian "yassack," from the Tatar language) of 600 Kamchatka beavers. The 4-year expedition was carefully recorded in a journal of travel entitled "Journal or Notes Written by Cossack-Sotnik Ivan Chorni [in our American vernacular Black Jack, an unlettered man] who was on the Kurile Islands Even up to the Nineteenth Island (Etorufu), Who Recorded these Travels with Notes on Distances Between Islands, Their Inhabitation (sic), Land, Etc."

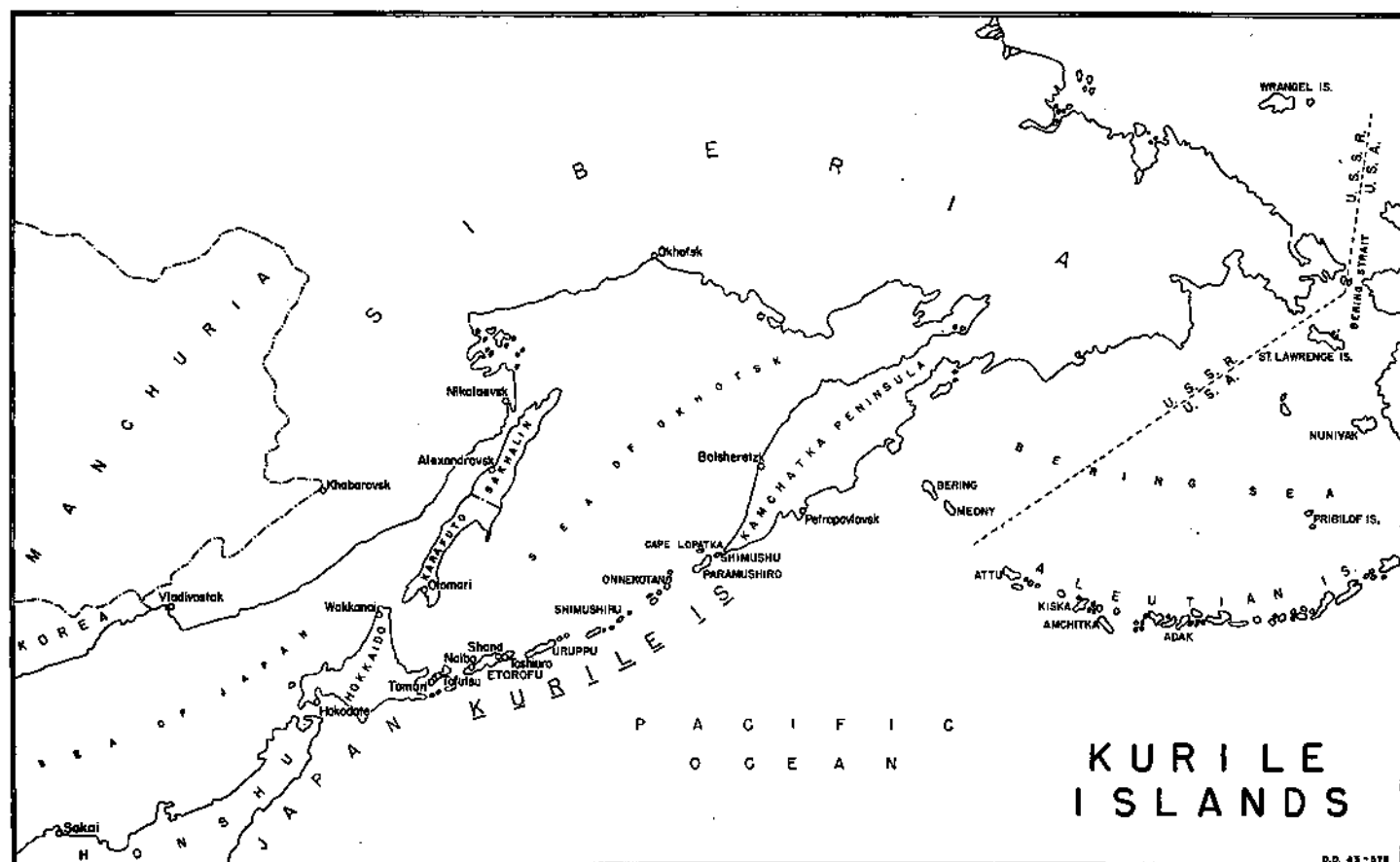
The significance of Chorni's expedition lies not only in the fact that it was the first of its kind, but in the information it provided, which has since been proven to be correct. Subsequent expeditions have added little to western knowledge of the islands, and have only elaborated on Chorni's work.

Japan, Yesterday and Today

The Russian Government, upon learning of the existence of the Kurile Islands, made haste to obtain title to them, to arrange the necessary formalities, as well as to verify Chorni's data. The authorities at Irkutsk, then Siberia's eastern capital, decided to dispatch to the Kuriles a few competent men for the purpose

³Phonetic, transcription into Russian as used in "In Japanese Captivity," by Vasil Mikhailovitch Golovin (in Russian).

⁴When Catherine the Great heard of the gentle and amiable disposition of the Ainu and the helplessness of these people, she signed a ukase on May 29, 1779, forbidding the collection of taxes from the Ainu, and an order was given to the officials to take care of them "as if they were children." A. Polonsky, "The Kuriles," p. 89.



and selected Esquire Antipin, Putintzev, and Oskolkov as men of the necessary qualifications, and in 1775 they left Kamchatka for Shumushu.

In 1778 they revisited the Kuriles, and on this last tour they reached Matmai (Hokkaido). It was there for the first time that Russians came in contact with Japanese. From them they learned that Matmai and the land south of it was the State of Samur,⁵ chief of the samurai, who was a living god. That god forbade the Japanese there to have any relations with the Russians. Further, the islands of Kimoshiri and Etorufu also belonged to Samur, with whose land the Russians could not trade because the inhabitants had all they needed. If the Russians wanted to have relations with the Land of Samur, they must apply in Nagasaki where all foreigners were permitted to trade with the country. The Russians were received in a friendly manner, and the exchange of precious gifts took place in accordance with oriental courtesy. The Russians left for the chief five cones of sugar (about 50 pounds), and had bestowed upon them in return 15 koku of rice, 1 pound of tobacco, and a bottle of wine.

This meeting between the officers of Catherine the Great and representatives of the Daimyo of Northern Japan was of great interest to the Russians. Particularly were they impressed with the way the Japanese honored them. Esquire Antipin recorded it as follows:

"The Japanese, headed by their chief,

under their flag, resembling our Wimpel, appeared before the Russian tents on September 5, 1779. Esquire Antipin, together with others, stood up in military formation, before whom the Japanese followed one by one. The first carried a gun in a yellow case, the second two lacquer boxes filled with various dishes (the emblem of Heaven and Earth), the third the flag. Then came the chief with two swords and good cloth. His trousers were wide, embroidered with flowers just like a coat—all black.⁶ The upper cloth was flame color, embroidered with flowers, too. His stockings were short, and instead of shoes he had under his feet small wooden benches. The chief was accompanied on the right and left by two Japanese each bearing two swords.⁷ Behind them were carried four hats and four lances, all in cases. In the midst of the cortege walked various elders (Ainu) with lances. When the cortege approached the tents the Russians took off their hats. Japanese do not remove their hats."

⁵ Wide trousers and wide sleeves were prescribed by decree of the Shogun in order to restrain the warlike samurai from assault, for which they were always ready. Etiquette required that all Japanese wear such clothing before the Daimyo, his representatives, and all other dignitaries commanding respect.

⁷ Of the procession, Captain Vasili Golovnin noted: "Nothing is so amusing as the cortege of Japanese. With downcast eyes and with arms akimbo, reminding one of the Greek letter 'phi,' they hardly move one leg after the other, keeping them far apart as if there were a ditch beneath; they salute by raising the hand to the forehead and bowing the body to waist level."

Further Russian Expeditions

Further information on the Kuriles was furnished by the voyages of Loksamam and Lovtsov, 1792-93, and of Captain Vasili Mikhailovitch Golovnin on the sloop *Diana* in 1811. It was their duty to describe the islands from the standpoint of their accessibility, their flora, fauna, minerals, and other essential features. Yet the Kurile Islands were of secondary importance to the Golovnin and Loksamam-Lotzov parties. The chief purpose of the expeditions was to establish contact with Japan, the country of mysteries and fabulous riches. Though it was the eighteenth century, the travels of Marco Polo and his hint at Tzinpanho (Japan) as an Eldorado continued to occupy the minds not only of various adventurers in Europe but of their governments as well. Spaniards, Dutch, English, had looked forward to the discovery of Tzinpanho for many years.

In 1610 a Spanish ship was sent out from Acapulco on the west coast of Mexico to add these islands to the Spanish Empire. The Portuguese sent two ships with the definite purpose of loading them with gold, and the English were eager to intercept them. In 1787 Comte de La Perouse, cruising in the North Pacific allegedly for the same purpose, discovered the strait between Yezo and Kuna-shiri, which has borne his name since. The genuine gold fever of Europe spread to the Russians also: they, too, would not mind loading a few of their ships

⁵ A. Polonsky, "The Kuriles," p. 93.



Photo by Sten Bergman.

Spruce forests on Kunashiri Island in the Kuriles.

with gold, or at least finding out what the country of Japan was.

An opportunity tending toward the attainment of this goal appeared when, in 1787, several Japanese shipwreck survivors were thrown ashore on the Russian island Amchitka, in the Aleutian chain. They were rescued by the ship *Cyril Alexandriskiy* and sent to St. Petersburg, where for several years they were feted and shown around. While in the Russian capital the Japanese, for a great sum of money, were sought by the British Embassy for an interview, and His Britannic Majesty's Government considered "it would be an honor" to return the Japanese to their country on one of their ships, via London. The Russians, however, after lavish entertainment, decided to repatriate them via Siberia, for which purpose a special expedition, headed by Loksmam and Lovtsov, was dispatched to the Kuriles and then to Hakodate. This expedition, like those which followed it, failed in its main objective, the establishment of neighborly relations with Japan. The Yedo Government refused to deal with foreigners up until the time when Commodore Perry's gunboats steamed up Yedo Bay in 1854.

The only tangible result of the Russian attempt to come closer to Japan, so far as it concerned the Kuriles, was that the southern islands—Kunashiri, Shikotan, Etorufu—were studied and described to some extent and the Russians obtained some information concerning Yezo.

Location and Area

The chain of the Kuriles covers a distance of nearly 750 miles between the Cape of Lopatka, on Kamchatka Peninsula, and Hokkaido or Yezo, northernmost island of Japan Proper. The number of islands is given as 32, but there are so many small rocks in the whole chain

that the Japanese name "Thousand Islands" (Chishima) is hardly an exaggeration. The largest and most important islands include Etorufu, 2,654 square miles; Paramushiro, 1,135 square miles; Shumushu, 220 square miles; Uruppu, 563 square miles; Onnekotan, 244 square miles; and Shimushiri, 161 square miles.

The mountains of the islands are covered with snow, and there are semiactive volcanoes on Shumushu, Araitto, Shikotan, Rashowa, as well as many active volcanoes, the largest of which is Ekarunia. The rocky coast is unapproachable in many places; the waters deep and uncharted; the currents between islands swift-forming, wide, dangerous vortexes. The bays are unsuitable for anchorage, except those few located on Shumushu, Paramushiro, Kunashiri, and Etorufu; while the few rivers are swift, small, and inaccessible to navigation.

The climate of the Kuriles is not the same throughout the islands, but is possessed of so little seasonal variation that not much can be said about it. That of the southern islands resembles the climate of northern Japan, or Hokkaido, while that in Shumushu and Paramushiro resembles Kamchatka. The open ocean surrounding the islands gives full sweep to all winds. Changes in temperature are sudden and drastic. On a single island the temperature may vary 10 or more degrees between inland and the coast. Rains are violent and snows severe. The best seasons are in the two months of May and October, as in other, more favored areas. Summers are foggy, frequented by typhoons and torrential rains; the winters are long, snowy, and cold, especially north of Etorufu.

Flora of the Kuriles

Kunashiri, Shikotan, Etorufu, and Uruppu have a fairly wide range of vege-

tation, and the forests of the southern islands produce timber suitable for various construction purposes, including shipbuilding materials. The most common trees include pine, beech, willow, alder, and mountain ash.

Valleys of the islands are swampy, inhabited by myriads of mosquitoes, many varieties of moths—and, in season, covered with wild flowers, such as iris, lilies, carnations.

Grains, such as rye and barley, are successfully grown in the southern Kuriles, while in the northern regions—Shumushu and Paramushiro—potatoes, radishes, and cabbages are produced in abundance.

The seaweeds of Kurile waters are perhaps the most luxuriant in the world. There are entire forests of weeds around every island and rock of the chain. Likewise, wide fields of *Nereocystis Lutkeana*^a can be seen around the islands. Some islands are surrounded with almost impenetrable belts of weeds, as much as a mile wide and reaching lengths of 140 to 150 feet.^b Dry weeds washed out on the shore constitute the favorite beds for beavers, of which, not so long ago, there were numerous species throughout the islands. *Laminaria Saccharina*, another seaweed of Kurile waters which has commercial value in Japan and China, also grows in abundance around the islands. Use of this weed for commercial purposes, however, is confined to specimens found only in the south, on Kunashiri, Shikotan, and Etorufu.

Islands' Fauna

Animal life is uniform throughout the islands, those animals which inhabit Kunashiri and Etorufu being of common species with those found on Paramushiro, Shumushu, and Kamchatka. The most important are bears, wolves, red foxes, blue foxes, silver foxes, sables, and squirrels.

Fur-bearing sea animals, such as otters, beavers, and fur seals, still frequent Kurile waters. They are most numerous in the middle islands. It is said that about the middle of the last century Raikoke Island and nearby regions were visited annually by 10,000 families of fur seals.

It was common for Japanese schooners hunting fur-bearing animals to collect from 1,200 to 2,000 fur-seal skins each, annually. Their predatory methods of hunting, however, have reduced valuable animals almost to extinction. Former breeding places of fur seals on the islands had become exhausted by 1880, and annual production of fur-seal furs since that time has been only 70 to 80 pelts.

Fisheries

The waters of the Kuriles are rich in fish, especially around the southern islands, where canning and salting of fish have been carried on on a large scale, as in Hokkaido and Sakhalin. Salmon and

^a A giant bladder-kelp of the North Pacific, sometimes called "sea-otter's cabbage."
^b "Chain of Kuriles" by Captain Snow, F. R. G. S., p. 54; Russian translation by Capt. A. Novakovsky, Vladivostok, 1902.

herring are the most common varieties, caught in abundance around Kunoashiri, Shikotan, and Etorufu. Because the waters around the middle islands are deep and rocky, with volcanic bottoms where vegetation is sparse, fish avoid these regions. Only around Shumushu and Paramushiro, near Kamchatka, is the catch more abundant. Salmon, cod, and herring, although in less quantity than in the waters of the southern islands, constitute the main body of the catch.

Commercial Value of Kuriles

The product of highest commercial value in the islands has been, of course, the furs, especially beaver furs which commanded in London markets, in the middle of the last century, as much as £15 to £210 per pelt.²⁰ Prices of beaver and sealskin, according to the Shogun's "O. P. A." of 1811, were fixed as follows: one mature beaver pelt, 10 piculs (1 picul=133 pounds) of rice; one seal skin, 7 small sacks (44 pounds each) of rice. The product of highest value in Japan, however, was not fur but eagle feathers, which the Japanese used for their arrows. For 10 eagle tails the Japanese were willing to pay 20 small sacks of rice, or one silk kimono; for 3 tails, one cotton kimono lined with cotton; for 10 eagle's wings, about ¼ pound of tobacco.²¹

Today, fur-bearing animals have become almost extinct. Although families of eagles on the Kuriles are probably as numerous as ever, the Japanese could hardly have any use for them in present military warfare.

Such products as copper, gold, silver, different colored ochres, and pyrites, which are reported to be found on the islands, especially Shumushu and Paramushiro, undoubtedly deserve consideration. But it is said that these minerals are in such small quantities that their exploitation, in the face of labor shortages and lack of necessary foodstuffs on the islands, does not offer commercial values of any considerable importance. Fishing is the only lucrative business of the Kuriles. Centers of this industry are located in Kunashiri, Shikotan, and Etorufu Islands at Shana, Naibo, Toshimon, Tonemai, Oitto, and Toshiure.

Strategic Importance

The southern Kuriles, as has been said, lay claim to constituting Japan's "first line of defense." Although they lack well-protected harbors sufficient to shelter a navy of a considerable size, it is reported by some sources that the deep waters around the islands serve the

Japanese as second and third-class submarine bases, while the numerous rocks provide splendid anchorage for mine fields.

Shumushu and Paramushiro to the north appear to have more bays convenient to shelter vessels. One of these, known as Treskovi, 6 miles long, is located at Shumushu between First and Chokonchi Capes. This bay served the Japanese as a principal base for their piratical activities in the extermination of the fur-bearing animals of Kamchatka, and for fishing in Russian waters, especially during the Russian Revolution, 1918-25.

It is said that the Japanese maintain a powerful wireless station and air base on Paramushiro. This is believed highly probable, since the location of the island is ideal for naval and air communications between the Aleutian Islands and the southern part of Kamchatka.

Paramushiro, Shumushu, and Araitto Islands dominate the only logical sea routes between the north Pacific and the Sea of Okhotsk—Shumushu Strait being only 7½ miles wide. Besides, any activities on southern Kamchatka, especially air communication between Bolsheretzsk and the Russian mainland via the Sea of Okhotsk, hardly could escape Japanese eyes from these islands.

From the standpoint of defensive strategy, however, the northern Kuriles are possibly the most vulnerable in the whole group of Japanese islands. This vulnerability lies in (1) the considerable distance from the main naval bases of

Japan Proper; (2) the absence of dry docks and repairing facilities; and (3) most important of all, the capricious sea which makes navigation in the north not only difficult but highly risky. The unpredictable vicissitudes of these waters are well illustrated by an event of the summer of 1922, when a Japanese cruiser stationed at Bolsheretzsk was overthrown by the waves, burying in the waters of Okhotsk Sea the entire crew complement to the last man. At the same time, this writer observed three Japanese destroyers, anchored in the Avacha Bay near Petropavlovsk, suddenly cut off from their base and thrown onto the coast like toy boats. The strength of the wave was undetermined, while its height appeared to be no less than 15 or 20 feet.

Should Japan lose Shumushu, Paramushiro, and Araitto, it would lose strategic advantages in the North automatically and, with the loss of these islands, could most probably be deprived of strategic bases north of the 46° parallel. The middle Kuriles, small mountainous islands, exposed to the most violent storms, almost inaccessible by boat because of swift currents and many treacherous vortexes, could hardly have strategic value of any great importance.

A new telephone cable is being constructed between Tokyo and Osaka, a Japanese broadcast claims. Its completion will reportedly make possible the transmission of 1,100 calls simultaneously.



Courtesy National Geographic Society.

The Alnu people in the Kurile Islands regard the bear as a son of the God of the Mountains and Woods, "Pal-nivukh-u." Once a year the bear is sacrificed in the name of this god, on the bear holiday known as "Kamul." The elder, usually chief of the tribe, addresses a speech or a prayer to the bear, which is placed in a wooden cage amid the assembled Alnu, then the cage is opened and the animal is shot to death with blunt arrows. Here village elders strike a Hollywood pose with a bear soon to be sacrificed in this manner.

²⁰ Captain Snow, op. cit., p. 107. This beaver, otherwise known as Kamchatka beaver or sea-otter (*Lutec lutris*), distinctly differs in size and color from the common otter. A full-grown sea-otter reaches a length of 4½ feet and weighs about 80 pounds. The skin varies in color from black to dark brown, is very thick, soft and silky. The darker skin is the more expensive—being, perhaps, the most expensive fur in the world. It has been valued by furriers in the London market up to £500 per piece, sometimes even more.

²¹ Golovnin, op. cit. p. 27.

News by COUNTRIES

Argentina

Exchange and Finance

Industrial Credit System Established.—To aid in providing capital for the industrialization of the country, the Argentine Government, by decree No. 6825 of August 26, 1943, established the Industrial Credit System. It is to be a cooperative undertaking of the banks of the country and of the Industrial Credit Fund which was also established by the decree.

The Industrial Credit Fund is to operate with its own funds derived from the following sources assigned to it: (a) profits accruing to the Treasury from the coinage of money; (b) dividends and additional participations in its profits payable to the Government by the Argentine Central Bank; (c) net earnings of the Fund; and (d) such additional funds as may be provided by the Government.

The Bank of the Argentine Nation was authorized to provide up to 100,000,000 pesos in capital for the operation of the System.

Banks may participate with the Fund in industrial credit operations, provided such participations by banks are limited to the equivalent of their reserves, plus 15 percent of their average total savings deposits for the preceding 5 years, from which total frozen and semifrozen assets of the banks in excess of their capital are deducted; provided no such loan is made for a period of more than 10 years; and provided they comply with regulations of the System to be issued subsequently. Short-term industrial loans customarily made by banks are not included in the calculations of their maximum participation in the Industrial Credit System. Banks may participate individually or they may form temporary or permanent groups or consortiums for the purpose of distributing the risk among themselves.

Participation of the Industrial Credit Fund in the financing of industries is limited to 30 percent of the original amount of the credit operation, which may subsequently be increased to 60 percent under certain conditions. However, participation by the Fund in loans to industries related to national defense may amount to 60 percent of the total credit.

Interest on funds of the Industrial Credit Fund employed in industrial credit operations is limited to 4 percent, while on funds of the Bank of the Argentine Nation thus employed it is limited to 5 percent. However, no limit is placed on interest on funds of other banks applied to such operations. No loan made by the System shall have a tenure of more than 10 years. In cases where necessary to assure repayment of

loans made by banks in connection with operations in which the Fund has participated, the Fund may subordinate its claims to those of participating banks.

The Industrial Credit Fund is to be administered by the Argentine Central Bank. However, applications for industrial credit must be made directly to participating banks. Regulations governing such details of the System's operations as the ratio of owned capital to loan capital, and the participation, if any, by the System in the management of borrowing enterprises, have not been issued.

To Repatriate Sterling Bonds.—The Argentine Government, by decree No. 9114 of September 17, 1943, provided for the repatriation of its sterling obligations in an amount equivalent to 500,-

000,000 pesos. At 15 pesos per pound, this amounts to £33,300,000, or, at the corresponding rate of 3.73 pesos per dollar, to approximately \$134,000,000. The sterling debt of the Argentine Government on April 30, 1943, amounted to £39,000,000. Thus, upon the completion of the newly authorized operation, and disregarding amortization in the meantime, Argentina's sterling debt will have been reduced to about £5,700,000.

This transaction will be carried out with blocked sterling acquired from the Argentine Central Bank and is a continuation of the process of thus utilizing blocked sterling commenced in the latter part of 1941. Including the £33,300,000 to be repatriated under the new authorization, the total sterling debt repatriated by the application of blocked sterling to that purpose will amount to about £34,800,000. In addition, £2,550,000 of blocked sterling were used in the latter part of 1941 for the purchase of British holdings of peso bonds of the Argentine Government, and about 60,000,000 pesos, or £4,000,000, have been used to repatriate British-held Argentine securities other than those of the National Government.

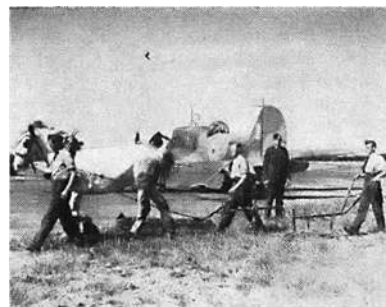
To finance the repatriation under discussion, decree No. 9114 authorized the issuance of 500,000,000 pesos in Treasury bonds. Of this amount 400,000,000 pesos will be in the form of 1-to-5-year bonds and will be delivered to the Bank of the Argentine Nation in exchange for an equal amount of 16-year Treasury bonds acquired by the Bank of the Argentine Nation in connection with the crop-purchase refinancing arrangement authorized by law No. 12,817 of October 17, 1942. Bonds thus obtained from the Bank of the Argentine Nation will be sold to the Argentine Central Bank at par. The proceeds from this sale will be converted into sterling. Until the issue of the remaining 100,000,000 pesos in bonds authorized by the decree is deemed advisable, the Treasury will employ its own funds to complete the total of 500,000,000 pesos involved in the transaction.

The decree did not specify the sterling issues that will be redeemed. However, of such issues outstanding on April 30, 1943, two totaling £11,206,000 are not callable prior to maturity.

Tariffs and Trade Controls

Agreement with Chile to Appoint Commissions to Study and Propose Bases for a Customs Union Approved; Commissions Appointed.—The agreement between Argentina and Chile to constitute a mixed commission to study and propose the bases for a customs union of the two countries, signed on August 24, 1943, was approved by the Argentine decree No. 9331, dated September 20, 1943, promulgated in the Boletín Oficial, September 30, 1943, Buenos Aires. The decree also

The Cover Picture



Fliers—and Farmers

"Prior to the war," says one passage in the feature article beginning on page 8 of this issue, "Britain imported about two-thirds of its food requirements, but greatly increased domestic production has reduced its dependence on foreign supplies to about one-third of its total needs." Our cover picture this week is related, in a way, to that statement—for it shows how even the fliers of the R. A. F. contrive to take a bit of "time out" from their job of blasting "Fortress Europe" to turn in and make the good British earth—and British livestock—yield more food.

An R. A. F. station in southern England (of which we here get a glimpse) runs its own farm, where a corporal and five men look after eight sows and litters, hundreds of chickens, geese, ducks, and turkeys and 18 acres of potatoes. The whole station is fed from the farm, and little is bought outside. In the picture, some of the R. A. F. men are starting off to plow—with Dobbin, the station horse, stepping out past an Anson plane.

designates the Argentine members of the mixed commission, and the members of the National Commission, as provided for in the agreement.

(See FOREIGN COMMERCE WEEKLY of October 2, 1943, for notice of signature of agreement.)

Australia

Economic Conditions

On August 19, 1943 the Australian Association of American Manufacturers was established, and the registered office of the Association is located in Sydney, New South Wales.

Among the declared objectives of the Association are the following:

To promote, foster, and further the interests of American industries in the Commonwealth of Australia.

To support and protect by lawful means the character, status and interests of American manufacturers in Australia and to promote the consideration and discussion of all questions affecting their welfare.

To encourage American manufactures and foster the output of American industries in such a manner as the Association shall deem expedient, including the power to hold exhibitions.

To collect, circulate, and diffuse statistical and other information relating to such manufacturing interests and to issue such publications as may be deemed necessary to that end.

To communicate the opinions of the Association or of any affiliated company or association, separately or unitedly, to the Governments of America and the Commonwealth or any of the States thereof or to various Departments thereof by letter, memorial, deputation, or otherwise, on any matter affecting the interests of members of the Association or of affiliated companies or associations, or American trade and commerce generally.

Membership is confined generally to established American manufacturers in Australia, and to representatives of American manufacturing interests, approved for membership by the "Federal Executive" or management, composed at present of seven members of the Association.

Brazil

Tariffs and Trade Controls

Port Charges at Laguna Provisionally Established.—Port charges covering port use, handling charges, external warehousing, transportation charges, and movement of merchandise at the port of Laguna (State of Santa Catarina) were provisionally established by an order (No. 154) dated February 18, 1943, of the Brazilian Ministry of Highways and Public Works, promulgated in the *Diário Oficial* of February 19, 1943, Rio de Janeiro.

Transport and Communication

Railways Report Profits for 1942.—Despite a shortage of fuel and lack of equipment and maintenance materials, the two principal railways of Brazil (the Estrada de Ferro Central do Brasil and the Companhia Paulista de Estradas de Ferro) had a successful year in 1942, according to a foreign financial report.

British West Indies

Economic Conditions

SITUATION IN TRINIDAD

The production of petroleum, the island's chief industry, was maintained at capacity levels during September, while small industries continued producing almost entirely for domestic consumption. Wholesale and retail trade continued at a reduced level due to the scope of the government's bulk-purchasing program and the consequent decline in ordinary trade.

Although shipping of the cocoa crop was later than usual this year, practically the entire crop has been moved. A big increase in the production of canned grapefruit juice has been recorded so far this year and domestic consumption of fresh fruit was more than doubled.

The general index for the average workman's family rose by a record 5 points during July standing at 188 on July 31 (base year 1935=100). So great an increase during 1 month has occurred only four times since the beginning of

the war and, in this instance, was largely the result of a six-point rise in the index figure for food, principally because of higher retail prices for flour. Other items of the general index remained constant, with the notable exceptions of fuel, light, and laundry which rose 15 points.

Bulgaria

Tariffs and Trade Controls

Import Duties on Ship Parts Abolished.—Import duties and taxes on ship parts have been abolished in Bulgaria, in order to facilitate shipbuilding, according to the Swiss press, of August 14, 1943.

Canada

Wartime Commodity Controls

Clothing Restrictions Eased.—The ban on two-pants suits and cuffs on trousers, in effect in Canada since June 1942, was rescinded by an order of the Wartime Prices and Trade Board dated September 27. In addition, the order removes restrictions on the unfinished length of men's and boys' trousers and permits manufacturers to make and include vests

Pertinent Comments on World Economy Today

(Being one of a series of excerpts from books, pamphlets, and speeches)

Europe's Economic Reconstruction: An Enormously Difficult Task

The economic reconstruction of Europe after World War II will be a much more difficult task than that of 1919. * * * This war has brought drastic changes in the economic structure of the European countries. With minor exceptions the European national economies have been coordinated to meet the requirements of the German military machine. Customs and economic boundaries for all practical purposes have disappeared. Some industrial establishments have been moved to Germany, others have been scrapped, while still others have been destroyed by military operations.

The independent banking systems of the individual countries under German domination have been destroyed. German banks have either acquired control of some of the leading banks in the conquered countries or opened branches or established new banks—thus making the banks of the greater part of Europe an integral part of the German banking organization.

The currencies of all countries on the Continent of Europe, with the exception of the few neutrals, are inflated, and the assets behind them consist to a considerable extent of mark claims on the Reichsbank which may be worthless at the end of the war. To all intents and purposes, the German mark is the unit of account in all countries occupied or conquered by Germany, and the mark exchange rate of the national currencies is determined by the German authorities.

The old established trade channels of the Continent have disappeared, and new ones, adapted primarily to the German economic needs, have been developed.

Even agriculture has undergone changes, and some types of crops cultivated in the past have been abolished for those needed by the German economy. In many parts, particularly in the East, the land-tenure system has been changed, and great estates, owned and operated by the German conquerors, have been created.

The destruction of property that has already occurred staggers the imagination, and the process of devastation undoubtedly will continue until the termination of hostilities. The civilian population has suffered tremendously; millions of people have been deported. Their standard of living has decreased rapidly, and military operations, starvation, and disease have exacted a terrific toll in lives.

These, in brief, will be the conditions in Europe which will confront the leaders of the United Nations at the end of the war.

(From "Some Aspects of Postwar Economic Reconstruction of Europe," issued by the Institute of International Finance of New York University, New York City.)

Notice to Exporters

The following sentence which appears in Current Export Bulletin No. 124, under Section C, paragraph 2, is of utmost importance to all firms engaged in the export trade:

"In the case of such shipments under general license, it remains the responsibility of the exporter to clear the desirability of the consignee and purchaser through the usual channels."

It will be noted that it still remains the responsibility of the exporter to ascertain the desirability of the consignee and purchaser through the usual channels. The "usual channel" for obtaining such information is the Department of Commerce—more specifically the Commercial Intelligence Unit of the Bureau of Foreign and Domestic Commerce.

The Commercial Intelligence Unit, which may be contacted directly or through any of the Department's Field Offices, maintains the records which reflect the status of more than 200,000 foreign firms and individual traders. These records are current and accurate. They reflect Proclaimed Lists status, and Office of Economic Warfare and United States Treasury licensing action, on a day-to-day basis.

Shipments under general license will be permitted only as long as the Government is certain that transactions will be with desirable customers. It behooves the exporter, therefore, to check on all new accounts and to recheck, from time to time, on established connections. This will not only make for orderly procedure but will contribute to our war effort by keeping goods and profits from the hands of the enemy.

In this connection the Department of Commerce (which represents the businessman in Government), and particularly the Commercial Intelligence Unit, will be pleased to cooperate. The Department is particularly anxious to report to other agencies in Government that foreign traders are using every precaution under general license to see that only desirable firms get American goods.

in boys' suits. Other clothing restrictions designed to conserve cloth supply, such as the elimination of double-breasted suits and pleats, still remain in effect. The effect of the relaxation of restrictions on two-pants suits and cuffs on trousers may not be apparent immediately. Many suits have been made up in line with original restrictions and these will have to be sold before suits cut to the relaxed specifications are available.

Lifting of the foregoing restrictions was made possible by an improvement in the wool supply prospects for the immediate future, according to the Wartime Prices and Trade Board. Despite this optimistic declaration and the fact that the public generally is pleased with the Board's action, Canadian clothing manufacturers criticize the cancellation of the restrictions. They maintain that although there may be adequate supplies of raw wool the woolen mills have been too busy with war orders to build up sufficient supplies of men's suiting materials and the net result of the Board's action is that their limited inventories of suitings must now be stretched without the assistance of the ban on trouser cuffs and extra pants which have made possible a saving of over 400,000 yards of material.

Transport and Communication

Railway Earnings Increase.—The combined gross earnings of the Canadian Pacific Railway and the Canadian National Railway for the first 7 months of 1943 reached a new high of \$413,200,000.

During the 7-month period of 1943, gross earnings of the Canadian Pacific

Railway were \$162,900,000, compared with \$143,000,000 in the corresponding period of 1942, an increase of 13.2 percent. In the same periods gross earnings of the Canadian National Railways amounted to \$250,300,000 compared with \$202,500,000—an increase of 23.5 percent.

Carloadings Increase.—Carloadings in Canada during the month of July totaled 299,592, compared with 297,851 in the preceding month.

Total loadings in the first 33 weeks of this year aggregated 2,100,335 cars, a gain of 8,279 over the corresponding period in 1942.

Chile

Tariffs and Trade Controls

Crown Caps: Import Duty Reduced Temporarily.—The Chilean rate of import duty on crown caps, with or without cork, has been reduced from 1.50 gold pesos per gross kilogram to 0.15 gold peso per gross kilogram, by decree No. 7558 of September 21, published in the *Diario Oficial* of October 4, 1943.

This reduction was made applicable to merchandise held in the customs since March 5, 1943, and will remain in force until January 1, 1944.

Cuba

Economic Conditions

Business conditions were good in Cuba during August, with economic indexes such as Government revenues, bank clearings, and collections considerably

more than those of the corresponding month last year. Supplies of tallow, textile products, charcoal, rice, and beans were limited, but on the other hand satisfactory stocks of lard, wheat, flour, and beef were reported. While enforcement of ceiling prices for rice and beans was difficult because of shortages, lard and wheat flour sold below ceiling prices.

SALE OF 1944 SUGAR CROP

The outstanding development during August was the announcement toward the close of the month that the negotiations for the purchase of the 1944 sugar crop had been completed and that the United States would buy 4,000,000 short tons of sugar at the price of \$2.65 per 100 pounds, the same price as that paid for the 1942 and 1943 crops. Sugar interests generally appear to be satisfied with the outcome of the negotiations.

A general feeling of prosperity undoubtedly will continue to prevail in Cuba in 1944 as a result of the longer crop. Diversification will continue to be emphasized and will be encouraged by reduced competition from imported products, but those producers who grow sugarcane will probably have less interest in other crops. Furthermore, the long crop will tend to reduce early spring plantings of other crops.

TOBACCO

All tobacco from previous crops has been sold, and although practically all the 1943 crop has been disposed of at high prices, demand for the latter continues. Indications are that plantings for the 1944 crop will be greater.

FOREIGN TRADE

Imports for the first 6 months of 1943 were 13 percent greater than imports for the corresponding period in 1942 and 43 percent greater than the 1941 figure. Exports for the same period were 26.4 percent greater than for the equivalent period in 1942 and 34.2 percent above the 1941 figure. Fruit exports for August were nine times the amount shipped in August 1942, but were only one-third the quantity exported in August 1941. No important shipments of vegetables were made in August, nor are any expected until November.

Tariffs and Trade Controls

Requirement for 10-Cent Stamp Tax on Shipping Documents Reinstated.—The 10-cent Cuban revenue tax stamp required on all documents presented to Cuban consulates for legalization, established December 1, 1942, and discontinued in September, 1943, was re-established on October 18, 1943, according to an announcement of Commerce and Industry Association of New York, Inc., of October 12, 1943.

[For announcement of the regulation, see FOREIGN COMMERCE WEEKLY of December 12, 1942, and for announcement of the discontinuance, see FOREIGN COMMERCE WEEKLY of September 25, 1943.]

Materials and Equipment for Use in Vegetable Dehydration: Imports Exempted from Customs and Consular

Charges.—Imports into Cuba of materials and equipment for use in vegetable-dehydration plants are exempt from payment of import duties and charges, and consular fees, provided importation is made by an individual or entity engaged in the construction or exploitation of plants for dehydrating vegetables, according to Cuban Presidential decree No. 2817 published in the *Gaceta Oficial* of September 30, 1943. The decree will be in force for 2 years from the date of promulgation.

Certificate Requirements on Imports of Mixed Natural and Synthetic Essential Oils Modified.—Mixtures of synthetic and natural essential oils imported into Cuba which are entitled to be classified for import duties as natural essential oils, in order to be dutiable as such, must now be accompanied by a sworn statement prepared by the manufacturer or the laboratory preparing the mixture, and certified by the Chamber of Commerce in the town of the manufacturer or laboratory, showing the proportions and values of the materials in the mixture, according to Cuban Treasury circular No. 108 of September 21, 1943. Prior to this decree, the certificate could be prepared by the exporter.

Cattle Feed: Labeling Requirements Established.—Cattle feed of domestic or foreign production sold in Cuba must in the future carry in a conspicuous place on the container a label or stamp showing the name of the product, its corresponding feed value and purity analysis, according to resolution No. 141 of the Office for Regulation of Prices and Supply (ORPA) published in the *Official Gazette* of September 30, 1943. Labels on containers of mixed feeds must show percents of moisture, protein, fat, ash, raw fiber, and the nutritive value. Unmixed feeds must be sold in their natural state and be labeled to show the name of the product. The decree further states that the mixture of feeds unsuitable for use by cattle producers will be prohibited.

Rabbits for Breeding Purposes: Import Regulations Amended.—The Cuban customs provisions regulating the entry into the country of rabbits for breeding purposes have been amended to permit the duty-free importation of specified varieties of rabbits during a 2-year period, according to a decree of the Ministry of Agriculture effective upon publication in the *Official Gazette* of September 15, 1943. The types of rabbits which may be imported under these provisions are as follows:

American, Champagne White, Giant Checker, Belgian Hare, Vienna Blue, Beverea, Chinchilla, Dutch, English, Flanders Giant, Habana, Himalaya, Beliers, French and English, Lillas, New Zealand, Siamese Black, Polish, Silver, Fire Blue, Cebelline, Marta Cebelline or Sabie, Castor, Rex, Alaska, Angora, Spanish Giant, Butterfly, Normand, and Leonada de Borgona.

[Rabbits were previously admitted duty-free after approval by the Ministry of Agriculture, but as no special varieties or time period were given, it was difficult in advance of custom clearance to know whether or not the rabbits would be so admitted.]

Transport and Communication

New Air Service Inaugurated.—The *Expreso Aereo Inter-Americano*, S. A., a Cuban-owned aviation enterprise, inaugurated its air-freight service between Habana, Cuba and Miami, Fla., on August 28, 1943, while the Royal Dutch Airlines (KLM) made its first commercial carrier flight about 10 days earlier. This latter service will carry passengers, express, and mail between Miami, Cuba, the Netherlands West Indies, and Jamaica.

France

Tariffs and Trade Controls

New Luxury Taxes Imposed, Other Internal Taxes Increased, by Fiscal Reform Law.—New "luxury" transaction and single (production) taxes on specified products were imposed in France, and single and consumption taxes on certain products were increased or imposed, by the fiscal reform law of October 24, 1942, published in the *Journal Officiel* of January 6, 1943, according to *L'Exportateur Français* of January 15 and 29, and February 5, 1943. Details of these changes follow:

New Luxury Transaction Taxes on Sales of Specified Products.—A new luxury transaction tax of 10 percent ad valorem was imposed in France on sales of specified products considered as luxuries, effective from February 1, 1943 (replacing on such products the regular transaction tax of 1 percent ad valorem) on sales at retail or for consumption, and on imports for consumption (not for resale).

The products affected include truffles

and truffled foods, foie gras, caviar, lobsters and crawfish; perfumery; furs, fur-trimmed clothing; hosiery or lingerie of silk, rayon, or nylon; carpets of wool or silk; jewelry and articles of gold or platinum, pearls and precious stones; articles of ivory, mother-of-pearl, amber and the like; antiques and artistic works; certain leather articles; billiards and accessories; radio apparatus; phonographs, automatic pianos and organs; motion-picture apparatus; high-priced photographic apparatus; golf equipment; new passenger automobiles and pleasure boats; luxury flowers and plants; and non-rationed confectionery and chocolates.

At the same time, a luxury transaction tax of 18 percent ad valorem was imposed on sales made by cafes and restaurants serving certain beverages, and on the receipts of amusement places, theaters, night clubs and the like, also effective from February 1, 1943.

Alcoholic Beverages and Wines: New Luxury Single Tax on Importation and Production.—A new luxury single tax of 25 percent ad valorem, applying upon importation or production, was imposed in France on alcoholic beverages, liqueur wines, natural sweet wines, and wines with "controlled appellations of origin," effective from January 5, 1943 (replacing on such products the regular single tax of 9 percent ad valorem).

Sales of such products directly for exportation, however, were made subject to the regular single tax of 3 percent ad valorem.

Fertilizers, Compound Feedstuffs, Charcoal and Peat: Single Tax Increased.—The single tax applying in France upon importation and production of fertilizers, soil amendments, fungi-

Aviation in Free China Today

Commercial air-transport services in Free China today comprise three companies. In one of these the Ministry of Communications of the Chinese government owns a half interest, the Soviet Government the remainder; a 55-percent interest in another company is owned by the Chinese, and the remainder by American interests; the third is 100-percent Chinese-owned, as it was confiscated from Germany at the time of the breaking off of diplomatic relations in July 1941.

The China National Airways Corporation was incorporated in 1929 with American capital to operate commercial air transportation in China, and in 1930 a merger was made to pool facilities and contracts. In 1933, Pan American purchased 45 percent of the stock, and the company was reorganized as the China National Aviation Corporation, capital CN\$10,000,000.

The Central Air Transport Corporation was organized on March 1, 1943, to take over the assets of the Eurasia Aviation Corporation organized in 1931 by Lufthansa interests. The new company has a capital of CN\$20,000,000; its longest route, operated every 2 weeks, is 2,550 kilometers.

The Sino-Soviet Aviation Corporation was organized in 1939 by the Chinese Ministry of Communications and the Central Civil Aviation Administration of the Soviet Government, each holding 50 percent of the paid-up capital stock of U.S.\$1,602,500. The company operates a distance of 1,500 kilometers each week between Alma Ata, U. S. S. R. and Hami, Sinkiang Province, China. Connections are made at Tihwa and Hami with the China Air Transport Corporation for Chungking and at Alma Ata with Soviet air lines.

The lines operated by these companies serve the main centers of Free China, make connections with British-Indian services at Calcutta and Russian service at Alma Ata. Equipment is quite inadequate, and requests for travel exceed facilities.

Obviously no mention can be made here of transport airplanes operating for war purposes.

cides, insecticides and raw materials entering into such products, and of oil-cakes and compound feedstuffs for animals, was increased from 3 percent to 9 percent ad valorem, effective January 1, 1943.

The single tax applying upon importation and production of charcoal and peat was increased from 3 percent to 4 percent ad valorem (the rate applying to all varieties of coal).

Certain Colonial Products, Beer and Chicory: Consumption Taxes Increased or Reimposed.—The French internal consumption taxes were increased on specified imported or domestic colonial products and beer, and reimposed on chicory. The new taxes on colonial products, in francs per 100 kilograms, are as follows (former rates in parentheses):

Cocoa: In the bean and husks, 260 (130); crushed, and cocoa butter, 320 (162);

Chocolate, containing pure cocoa in an amount of: More than 55 percent, 320 (162); over 42 and up to and including 55 percent, 170 (87); 42 percent or less, 130 (65);

Coffee: In the bean and husks, 1,850 (925); with caffeine removed, 2,500 (1,250); roasted or ground, 2,700 (1,350); extracts or essences, liquid, 5,550 (2,775), solid, 10,820 (5,410);

Pepper and products containing pepper, 1,620 (810);

Pimento, 1,630 (816);
Tea, 860 (432); and
Vanilla, 1,040 (520).

The consumption tax on imported or domestic beer was increased from 4.40 francs to 7 francs per degree-hectoliter of wort, in order to equalize taxation with hygienic beverages. On chicory and other coffee substitutes the tax of 205 francs per 100 kilograms, which had been suspended on April 24, 1940, to reduce imports of coffee, was reimposed.

Special Tax Established to Cover Expenses of Central Office for Distribution of Industrial Products.—A special tax was established in France to cover the administrative expenses of the Central Office for Distribution of Industrial Products during 1943, by an order of December 29, 1942, published in the Journal Officiel (Vichy) on December 31.

This tax takes the form of a surtax of 40 percent of the special sales taxes collected by the various trade organization committees to cover their administrative expenses.

French Cameroun

Tariffs and Trade Controls

Inspection Taxes on Certain Agricultural Exports Increased.—The inspection taxes, applicable to certain colonial agricultural products exported from French Cameroun, have been increased, effective from January 1, 1943, by an order of November 18, 1942, published in the Journal Officiel of French Cameroun on June 1, 1943.

The new rates, in francs per metric ton or fraction of a ton, are as follows (former rates in parentheses): Palm kernels, 10 (5); palm oil, 25 (5); cocoa, 20 (15); and rubber, 50 (10).

[See Commerce Reports of March 11, 1939, for a former announcement on these taxes.]

French Equatorial Africa

Tariffs and Trade Controls

Palm Nuts: Export Standards of Quality Revised.—Export standards of quality for palm nuts exported from French Equatorial Africa have been revised by order No. 1394 of June 26, 1943, published in the Journal Officiel of that colony on July 15, and effective from September 1, 1943.

This order replaces order No. 2374 of December 1, 1941 (announced in FOREIGN COMMERCE WEEKLY of July 4, 1942).

Rubber: Export Standards of Quality and Labeling Abolished.—The standards of quality and labeling for rubber exported from French Equatorial Africa were abolished, in view of the conditions of the purchase of rubber by the Rubber Control, by order No. 1296 of June 16, 1943, published in the Journal Officiel of the colony on July 15.

[These standards had been in effect since March 1, 1942, as announced in FOREIGN COMMERCE WEEKLY of July 4, 1942.]

French North Africa

Economic Conditions

WAGES AND SALARIES INCREASED IN ALGERIA

By an order of the Governor General of Algeria wages and salaries in Algeria were increased by 25 percent, effective September 1, 1943, according to an Algerian press release of September 3. This rise applies to personnel employed in industrial and commercial establishments as well as in the liberal professions, public offices, syndicates, and civil societies and associations. Authorization to award increases within the limit of 25 percent was granted to the Governor General by the Committee of National Liberation about the middle of August, according to an earlier press report.

Employers have been reminded that heavy fines have been authorized for failure to comply with the order for increased wages.

Since the beginning of the war, living costs apparently have risen to a greater extent than wages and salaries. The latest published official index figure of living costs is 347.52 for February 1943, compared with an index of 129.35 for February 1939. No wage index for a comparable period is available.

Tariffs and Trade Controls

Alfa: Export Standards of Quality and Packing Fixed in Morocco.—Standards of quality and packing for alfa and combed alfa exported from the French Zone of Morocco were fixed by an order of July 12, 1943, published in the Bulletin Officiel and effective on July 23.

Nioras: Export-License Tax Fixed in Morocco.—The export-license tax on nioras (dried fruit of the *Capsicum annum*) exported from the French Zone of Morocco has been fixed at 500 francs per 100 kilograms, gross weight, by an order of June 1, 1943, published in the Bulletin Officiel and effective on June 25.

[This tax had been increased from 500 francs to 1,300 francs per 100 kilograms on November 20, 1942, as announced in FOREIGN COMMERCE WEEKLY of April 10, 1943. A subsequent change was made by an order of January 13, 1943.]

Preserved Foods: Group of Exporters Dissolved in Morocco.—The Group of Exporters of Preserved Foods in the French Zone of Morocco was dissolved on June 15, 1943, by an order of June 12, published in the Bulletin Officiel of June 25.

Iceland

Tariffs and Trade Controls

Tobacco Manufactures: Increased Taxes Authorized.—The Althing (Icelandic Parliament) on September 6, 1943, passed a law authorizing the State Tobacco Monopoly to tax different types of tobacco at rates between 10 percent and 150 percent ad valorem (the former maximum was 50 percent), according to the Icelandic press.

Dutch Hold On to What Is Good

Attempts of the Nazi occupation authorities in the Netherlands to call in silver and copper coins and high-denomination bank notes have failed dismally, according to information reaching London.

Coins surrendered since January 16, 1942, represent the following very small percentages of those in circulation:

Silver:	Percent
Rijksdaalders (2½-guilder pieces).....	1½
Guilders.....	5
Half-guilders.....	4
Kwartjes (quarters).....	2½
Dubbeltjes (dimes).....	4½
Nickel: Stuivers (5-cent pieces).....	7
Bronze:	
Half-stuivers.....	14
Cents.....	9

Indication that a decree, issued March 13, 1943, calling in 1,000- and 500-guilder bank notes has been unsuccessful, is seen in the fact that tax officials receiving the bills in the Netherlands no longer ask searching questions of the persons offering them.

The decree was intended to facilitate tax collection, to disclose hidden capital and hoarding, and to cut down on the black-market trade. The original Nazi-sponsored decree specified that the high-value bills were to be surrendered immediately and could be used only for the payment of income taxes.

Madagascar

Transport and Communication

Merchant - Marine-Service-Reorganization Order Revised.—The order of May 6, 1943, providing for a reorganization of the Merchant-Marine Service of Madagascar was replaced by an order of June 18, 1943, published in the Journal Officiel of Madagascar on June 26.

[The order of May 6 was announced in FOREIGN COMMERCE WEEKLY of July 31, 1943.]

Mexico

Wartime Commodity Controls

New Ceiling Prices on Gasoline Established.—New maximum wholesale and retail prices of gasoline have been established in Mexico by an Executive resolution, published in the Diario Oficial of September 28, 1943.

The new ceiling prices, dependent in most cases upon transportation costs, vary from 13.5 centavos (wholesale) per liter in Matamoros and Nuevo Laredo, State of Tamaulipas, to 25.5 centavos (wholesale) per liter in Merida, State of Yucatan. In all cases the retail price is 2 centavos per liter higher than the wholesale price. In Mexico City the prices per liter are 20 centavos retail and 18 centavos wholesale. The price in villages not listed is to be that of the nearest distributing center, plus cost of transportation by the most economical means.

Paraguay

Exchange and Finance

Central Bank Authorized to Buy Gold.—On September 13 the Government of Paraguay promulgated decree-law No. 304 which empowers the Bank of the Republic to buy and sell gold coin or gold bullion. Prior to that date the bank did not possess this power and it accordingly was not in the position to convert any of its foreign-exchange holdings into a true gold reserve had this been desired. The new law provides that the bank may buy or sell gold coin or gold bullion at recognized international values either in the domestic or in the foreign market. Any operation in the foreign field can be concluded by the bank through a resolution of its board of directors up to a maximum of 40 percent of its foreign-exchange resources; any operation in excess of 40 percent requires the agreement of the Minister of Finance. Any purchase of gold made within the country is to be paid for in Paraguayan currency and the aggregate of such purchases is without limitation.

Peru

Tariffs and Trade Controls

Documentary Requirements for Air-Express Shipments Modified.—Commer-

cial invoices, legalized by the Peruvian consul in the country of shipment, are required for all shipments by air express to Peru valued at \$100 or more, under Peruvian decree No. 19771 of August 28, 1943. When valued at less than \$100 or its equivalent at the place of origin, however, the invoice need not be legalized, and when the amount of import duty payable in Peru does not exceed 50 Peruvian soles (approximately \$7.70 U. S. currency) no commercial invoice is required.

Tourists' Automobiles: Period of Free Entry Extended to 1 Year.—The period during which tourists' automobiles, trailers, and motorcycles may remain in Peru duty free has been extended from 180 to 360 days, according to a recently published decree dated November 18, 1942, and its supplementary regulations of September 1, 1943.

The Touring and Automobile Club of Peru, an affiliate of the international automobile associations, will be responsible for the issuance of books of customs passes which will serve as the documents necessary for such free entry through the Peruvian customs.

Registration of Sugar Export Contracts and Immediate Payment of Taxes Required.—All contracts covering the exportation of sugar from Peru must be registered with the Peruvian Ministry of Finance, according to a supreme decree dated September 25, 1943. Taxes assessed upon such exports must be paid within 6 days from the date agreed upon in the contracts, whether or not exportation has been effected. Sugar export contracts must state in all cases the date of payment, and, in any case, the payment of the taxes will be a requisite for sugar shipments from Peru.

Pharmaceutical Products: New Registration Regulations Promulgated.—Regulations for the registration of pharmaceutical products in Peru were established by a supreme decree promulgated on August 27, 1943, which also provided for the reregistration of those products which have been registered over 5 years upon the date of the decree.

All trade-marked or patented pharmaceuticals for human consumption, other than biologicals and other specified products, are required to be registered with and authorized by the Inspectorate-General of Pharmacy, as a prerequisite to their importation, manufacture, or sale in Peru.

To obtain this authorization, separate applications for registration must be presented to the Inspectorate General for each specialty, and three samples, identical with the products as presented for sale, must be submitted together with the prospectus, labels, literature, and a statement of the price at the factory of origin. A fee of 100 soles is collected for the registration of each imported pharmaceutical specialty. A period of 90 days is accorded to agents or importers of foreign pharmaceuticals in which to fulfill the prescribed requirements.

Applications for registration must also be accompanied by a certificate from a pharmacist residing in Lima assuming responsibility for the constancy of the

Guatemala Purchases U. S. War Bonds

Guatemala was one of the first Latin American nations to join with the United States in declaring war on Japan, Germany, and Italy in December 1941. Since then, that Republic has shown an increasing solidarity with the United States and the United Nations in the all-out effort to defeat the Axis forces of aggression.

One of the most recent manifestations of this solidarity was the purchase by Guatemalans and the Guatemalan Government of United States war bonds during the Third War Bond Drive.

Announcement of this example of international "Back the Attack" help was made at Guatemala City in a release of the official Guatemalan press office, reading as follows:

"The Government of Guatemala, confirming its objective of contributing to the war effort of the United States of America, has invested the sum of \$1,000,000 in bonds of the Third War Loan. The Banco Central de Guatemala, on its part, has acquired bonds of the same loan for another \$1,000,000.

"This action is a manifestation of Guatemala's continental co-operation, since it is not an operation with immediate profit motives, and its greatest value lies in its spiritual intent. It also testifies to the state of Guatemala's finances and the honest use of its resources."

formula and the form of advertising. For an imported product, it is necessary to submit an additional statement issued by the health authorities of the exporting country and legalized by the Peruvian consul, giving the name and address of the producing laboratory and certifying that the establishment is operating under their supervision and control.

Southern Rhodesia

Wartime Commodity Controls

Price of Corn Guaranteed to Growers.—A price of 13s. 6d. per bag of 200 pounds for corn grown by farmers of European origin has been guaranteed by the Government of Southern Rhodesia, according to a recent foreign press report. A bonus of 2s. a bag will also be paid if the corn is produced under conditions designed to conserve and increase the fertility of the soil. The total guaranteed price of Grade A corn with bonus is 15s. 6d. per bag. (A shilling = about \$0.20.)

The purpose of this official action is to encourage greater production of grain, obviating the necessity of importing it, and to give effect to the recommendation

Inter-American Exposition, Bogotá, Colombia

Word has just been received that the *Exposición de Bogotá*, announced (in *FOREIGN COMMERCE WEEKLY* of July 27) for the month of December this year, has been postponed. According to revised plans the Exposition will open on April 14 and run through July 1944.

Participation by organizations and companies in this country is desired, and any such interested may obtain a prospectus and full details by addressing:

Señor Dr. Alfonso Mejía Robledo,
Director General.
Exposición Interamericana de
Bogotá.
Apartado 11-04,
Bogotá, Republic de Columbia,
S. A.

of the Natural Resources Board that the efficient producer be adequately recompensed to enable him to improve and maintain fertility of the soil.

Tariffs and Trade Controls

Five Percent Sales Tax Levied on Tobacco.—Tobacco sales in Southern Rhodesia are now subject to a tax of 5 percent according to an act promulgated July 23, 1943.

The new tax is levied on the gross price after allowing for deductions to be made for the regular tobacco levy, a special abatement, and weighing, selling, and commission charges paid by the grower to the selling agent.

A Tobacco Sales Tax Committee was also established by the act to consider applications for relief from payment of any part of the tax. Members are to be appointed by the Minister of Finance.

Sweden

Tariffs and Trade Controls

Tobacco Manufactures: Government Monopolizes Wholesale Imports.—The Swedish Tobacco Monopoly now has the sole right to import into Sweden tobacco manufactures intended for wholesale, under a revised tobacco-monopoly law of June 11, 1943, published as No. 346 in the *Svensk Författningsamling* of June 19 and effective July 1, 1943. Certain retailers, however, will be permitted to continue to import such products, under monopoly control as to resale price and profit. Under the revised law the retail price of imported articles will be considerably reduced, because of the elimination of wholesalers' profit and the consequent reduction in tax.

A decree of June 11 (No. 347), which is to become effective later, establishes regulations under which compensation will be paid wholesalers and their personnel who are adversely affected by the revised law.

The State Food Commission lowered the point value of imported full-sized cigarettes, from five points to two points, for the June 26 to July 16, 1943 ration period.

Switzerland

Transport and Communication

Telephone Subscribers Increased in 1942.—Telephone exchanges in operation in Switzerland at the end of 1942 totaled 946, states the foreign press. Of these, 804 were automatic and 142 were manual.

During the year, the number of telephones being used by individual subscribers increased from 491,308 to 523,440. The number of public telephones increased from 6,253 to 6,390.

United Kingdom

Wartime Commodity Controls

No Wool Cloth Exports for United States.—The British Board of Trade has issued market allocations for woven wool cloth and blanket exports for the October 1943 to January 1944 allocation period. No allocations were issued for exports to the United States and Central and South America, except that licenses for a limited quantity of hand-woven tweeds will be granted for export to the United States. This is the same procedure as adopted in the June to September allocation period, when hand-woven tweeds were the only cloths licensed for export to the United States.

Uruguay

Economic Conditions

The economic situation in Uruguay during September was relatively unchanged from that of August. The coming of seasonal rains dispelled fears of a recurrence of the disastrous drought of a year ago, so that livestock and agriculture, the country's chief economic concern, may continue their recovery from last year's drought losses. Domestic difficulties caused by the war continued, the people finding it hard to maintain their standard of living in the face of increasing costs.

Aside from the war dislocations, the deferred effects of last year's drought seem of considerable importance internally. Normally, most of the money made in the country is spent in the city. Hence a more accurate appraisal of the losses caused by the drought may now be gained from orders being received by the city. These are only for absolute essentials, and many of them require extensions of credit. This condition will probably continue for some time because natural recovery is slow.

Fuel shortages continued, a general reduction of 30 percent in available supplies of petroleum products being an-

nounced. The use of wood for fuel, of serious concern because of the danger of deforestation, may be checked to a degree by the coming of warmer weather.

As of July 31, 1943, the export trade balance amounted to \$18,971,011. An interesting development in foreign trade during August was the increase in imports from Brazil, equal almost to the value of those from the United States. It was also noted that a demand for certain Uruguayan products was being developed in Brazil, Chile, and Mexico.

LIVESTOCK AND AGRICULTURE

Recently released official statistics show that livestock slaughtered during the first 6 months of the year amounted to 861,000 cattle, 691,000 sheep, and 48,000 hogs, as compared with 758,000 cattle, 451,000 sheep, and 41,000 hogs for the corresponding semester of 1942. These figures give the total slaughter not only in the National slaughterhouse but also at the Anglo packing plant in the interior. A cattle census is to be taken in November, and the Ministry of Agriculture has released plans for more intensive poultry farming.

Agricultural statistics for the principal crops also released for the 6-month periods, are shown in tons as follows:

Commodity	Average 5-year period 1936-40	First semester 1942	First semester 1943
PRODUCTION			
Wheat.....	360,766	371,975	339,321
Rice.....	14,674	18,153	14,719
Corn.....	131,793	117,621	38,370
Barley.....	11,255	9,251	8,769
Oats.....	44,992	35,623	30,829
Potatoes.....	30,897	24,545	41,716
Flax.....	98,906	46,914	46,468
IMPORTS			
Wheat.....	8,378	208	.....
Rice.....	158	.....	.....
Corn.....	441	5,034	34,365
Barley.....	386	.....	258
Oats.....	2,555	5,556	15,171
Potatoes.....	22,572	3,651	881
Flax.....	.....	.....	.....
EXPORTS			
Wheat.....	74,718	.....	4,448
Flax.....	86,909	24,282	20,142

In September the soil was being prepared for the planting of corn in October and November. With demand for this grain far in excess of supply, large plantings are anticipated. Linseed planting, which ended in August, was not so extensive as expected, but the area sown at least approximates that of last year.

Because of the shortage of necessary seed potatoes, the planting of this crop was disappointing. The next planting comes in January and the Government has arranged to import before then at least 7,000 tons of seed potatoes in order to avoid a repetition of the present difficulty.

Preliminary estimates of the area sown to wheat suggest a considerable reduction from that of last year. This reduction is attributed largely to the shortage of motor fuel, particularly on the large farms where mechanical equipment is necessary. The weather has favored planting, and so far conditions for development have been excellent.

The administration has proposed a wheat institute, with five representatives of the Government, one each from the Committee for Rural Development, the Camara Mercantil de Productos del Pais, the Asociacion Rural, the Chamber of Industries, and the Bank of the Republic, and with a president to be appointed by the Government and approved by the Senate.

MANUFACTURING

The woolen-textile industry continued capacity operations. Despite the greater profits in the export market, the industry is making strenuous efforts to take care of the internal market as well, its leaders having resisted the temptation to ignore the home market and to expand unduly for the temporary foreign demand.

The cotton-textile industry continued to complain of shortages of fine combed and mercerized yarns, but all of the mills were reasonably active, generally working two shifts daily.

Additional equipment for an important mill was recently received from the United States. When it is finally installed, this factory will be able to produce 1,000,000 kilograms of carded yarns a year, which amount will take care of the local demand for this product. The shortage of "high counts" in rayon continued, arrivals from the United States having been limited.

Prices for both woolen and cotton textiles continued to advance slowly.

The depression in the hat-manufacturing industry has somewhat abated. The internal demand improved. Venezuela and Bolivia showed interest in certain new sample shipments, and sales to these countries were expected. There was also a revival of optimism regarding exports to South Africa.

In the tanning industry operations continued on a one-shift-daily basis. The export demand was fairly good and the local shoe manufacturers took more leather. Since the domestic production of shoes does not end before January, tanneries were expected to continue active for some months. It is believed that other American countries would take more leather if shipping difficulties due to the war were not so great.

Shoe factories are working a 5-day week, one-shift daily, on orders for the summer season. The increase in prices of leather has continued to be a handicap, inasmuch as all orders were based on expected low consumer purchasing power, and it is difficult to produce certain items with any margin of profit.

The glass industry continued to feel the shortage of fuel oil, but factories are keeping open 5 days a week, on a one-shift basis, and maintaining their personnel. With the approach of the summer season activity should increase, as consumer demand is heavier in warm weather for all kinds of glassware, but the recent 30 percent over-all cut in petroleum supplies has come at an unfortunate time.

DOMESTIC TRADE AND PRICES

Retail sales have fallen off. Proprietors of the large department stores blame this condition on the new schedule

of working hours, imposed by law for the purpose of saving fuel. In normal times the most active shopping period of the day begins at 5:30 p. m. and lasts until 7:30, but now the stores have to close at 5:30, just when office workers are released from their duties.

Stocks of merchandise increased during September, and quantities may be considered sufficient, but many items are limited in quality and variety. Much general merchandise formerly came from Europe, and individual items could be ordered in small quantities, but war restrictions now make necessary the purchase of nearly all products from the depleted stocks of the United States.

PRICES AND THE COST OF LIVING

The official general index of the cost of living in Montevideo for August was reported again to be 122.3 (base, 1933=100), the same figure which had been released for the months of July and June. The official explanation is that prices have achieved stability.

Subsistence problems continued to present difficulties which administration measures have failed to overcome. Potatoes have been brought in from Argentina, and a price of 11 centesimos a kilogram was fixed.

Maximum prices for fuel oil were also fixed at 72.75 pesos per ton for heavy oil and 76.50 per ton for light.

The Government has required a declaration of all copper in ingots, copper wire, zinc, and tinplate, and has authorized the Bank of the Republic to purchase 500 tons of tinplate for canning without issuing calls for tenders.

During September there was an overall cut of 30 percent in supplies of gasoline, kerosene, and gas oil.

CONSTRUCTION ACTIVITY

Building permits issued in August in Montevideo totaled 505 for a value of 1,155,000 pesos, as compared with 432 for July with a value of 1,486,219 pesos. Building certificates authorized from January 1 to August 31 amounted to 8,730,000 pesos against 9,441,000 for the corresponding period of 1942; 15,789,000 for 1941; 12,049,000 for 1940; and 16,058,000 for 1939.

Transport and Communication

Bus and Streetcar Travel in Montevideo Increases.—Motorbuses in Montevideo, Uruguay, transported 14,524,818 passengers in June, compared with 13,960,770 in June 1942. Streetcars carried 11,183,592 passengers, compared with 10,016,233 in the corresponding month of 1942.

Venezuela

Exchange and Finance

Budget for 1943-44.—The Venezuelan budget for the fiscal year July 1, 1943, to June 30, 1944, as approved by Congress on June 30, 1943, indicates a deficit of 31,807,700 bolívares. Revenues are estimated at 316,693,000 bolívares and expenditures at 348,500,700 bolívares. Provision is made for an internal loan of 24,000,000 bolívares and for an Export-Import Bank loan equivalent to 7,807,700 bolívares. Proceeds of both loans are to be used to finance the public-works program.

Estimated income for 1943-44, excluding loan proceeds, is about 22,000,000 bolívares larger than the estimates for 1942-43 and about 45,000,000 bolívares in excess of estimated receipts for 1941-42. The principal changes in estimated income for 1943-44 compared with 1942-43 are increases of 36,812,000 bolívares in income from mining and petroleum operations, 10,000,000 bolívares in receipts from the income tax which was not in effect when the 1942-43 budget was adopted, a decrease of 12,315,000 in estimated revenues from import duties, reflecting declines in imports as a result of war conditions, and an approximately 20,000,000-bolivar decline in other miscellaneous revenues. Authorized loans are about 7,273,000 bolívares larger for 1943-44 than for 1942-43.

Authorized expenditures for 1943-44 are 28,253,000 bolívares greater in the current than in the preceding fiscal year. This increase is more than accounted for by the increase in authorizations for public works from 80,498,000 bolívares to 110,591,000 bolívares.

(Continued on p. 38)

Leghorn, "Headline Port," Gave Name to Hats and Chicks

The port of Livorno, Italy (bombed from time to time by the Allies), is better known by its English name of Leghorn, made famous by the straw hats shipped from there, and by the hardy breed of Mediterranean chickens, "the greatest egg-laying machines of the poultry world."

When the Arno River silted up the harbor of Pisa in the sixteenth century, one of the Medici family developed a harbor at nearby Livorno, then a village of less than 800 inhabitants, says the National Geographic Society.

Livorno became Italy's second port, next to Genoa, and has added value today, as a military objective, because of its shipbuilding yards. Here too is located the Royal Naval Academy, the Annapolis of Italy.

Old harbor fortifications of the Medici era still stand. Swamps have been drained, breakwaters built, and canals cut through and around the town, giving it the name of "the New Venice." It was a popular year-round seaside resort. To the south Napoleon's Island of Elba is visible.

Thrown open to the oppressed of all lands, Livorno was a cosmopolitan center with more than 100,000 residents. There are Moors from Spain and Armenians from the Levant. There is a typical Scotch kirk, a Greek Orthodox and a Waldensian church.

News by COMMODITIES

Beverages

SPANISH WINE STOCKS INCREASED

Spanish table-wine stocks are estimated at 132,100,000 gallons, an amount equivalent to 5 years' local consumption. This large increase in wine stocks is said to have been the result of high prices which decreased domestic consumption about 40 percent.

Exports of wines and other alcoholic beverages are being stimulated. In the first quarter of 1943, table-wine exports totaled 4,823,000 gallons; liqueur wines, 995,000 gallons; and brandies, 366,000 gallons, according to official figures. Switzerland is the chief consumer of Spanish table wines, and a recent trade agreement with that country provides for the sale of 10,500,000 gallons during 1943.

GRAPE BEVERAGES IN YUGOSLAVIA

The price of wine in some sections of "Croatia," Yugoslavia, has decreased suddenly from 120 kunas per liter to 60, according to the foreign press. This drop in price is explained by the fact that the vintage this year is unusually good, and as yet merchants have not sold all of last year's stocks.

Many vineyard owners are said to be making rakija (a local alcoholic drink) from their last year's wine. Although only 200 liters of rakija can be made from 1,000 liters of wine, the loss in quantity is offset by the higher price paid for the local drink.

The municipality of Zagreb has ordered that, to discourage stealing, all venders of grapes must present a certificate of origin for their goods.

Chemicals

SODA FACTORY TO BE BUILT IN HUNGARY

The Hungaria Fertilizer, Sulfuric Acid & Chemical Industry Co. plans to build a soda factory in Hungary, the European press reports. Production, it is stated, will be sufficient to meet all domestic needs.

NORWAY TO PRODUCE MORE ALCOHOL

A new alcohol plant, to be established at Skien, Norway, by Union Aktieselskab, a Norwegian pulp and paper company, according to the European press, is to have an annual capacity of 8,000 hectoliters.

Greiner Cellulose Co. also expects to produce sulfite alcohol.

Coal

BULGARIAN COAL OUTPUT INCREASED

The assignment of 2,500 workers to Bulgarian coal mines, under the law for

civil mobilization, has resulted in a 20 percent increase in coal production during the last 7 months, says the Nazi press, and a further increase is expected.

HUNGARIAN COAL IMPORTS SATISFACTORY

Exports of coal for Budapest from Karwin and the region of the Saar during the first 6 months of 1943 are reported by the Hungarian press as satisfactory. German-Hungarian negotiations are made to assure the gas companies of 365,000 tons of coal—an increase of 20,000 tons over last year's total.

Construction (Including Highway)

BUILDING ACTIVITY IN URUGUAY LOW

Building permits issued in Montevideo, Uruguay, in August totaled 505 with a valuation of 1,155,000 pesos, an increase over July totals of 432 permits valued at 1,486,219 pesos.

The value of permits issued from January 1 to August 31 was the lowest reported for several years, amounting to only 8,730,000 pesos as against 9,441,000 for the corresponding period of 1942; 15,789,000 in 1941; 12,049,000 in 1940; and 16,058,000 in 1939.

The Government is attempting to stimulate construction activity.

BUILDING IN CANADA DECREASED

Construction permits issued throughout Canada in July 1943 showed a sharp decrease. Permits issued had a declared value of \$16,166,900 as compared with \$32,093,400 in the corresponding period in 1942, or a 49.6 percent drop.

Building permits issued in June called for work totaling \$20,478,400, a 21.1 percent decline from that of June 1942.

During the first 7 months of 1943, the cumulative value of permits was \$118,293,700 or a 29.2 percent decrease from

the total of \$167,040,600 in the corresponding period of last year.

This decline is reported to be a direct result of the tapering off of wartime construction and restrictions on non-essential building.

For the first 8 months of 1943, building permits issued in the city of Calgary, Alberta, Canada, called for work valued at \$1,395,065 as compared with \$2,511,717 in the corresponding period in 1942, states the Dominion press.

A few residences are under construction, and many old houses are being remodeled into small apartments, but no new business buildings are being erected.

CANARY ISLANDS TO HAVE NEW ROADS

The sum of approximately \$100,000 has been voted by the municipality of Las Palmas, Canary Islands, for the construction of new country roads, states the foreign press. In addition, approximately \$200,000 is to be added to the budget to be used entirely for country roads now under construction.

CONSTRUCTION OF NEW DAM PLANNED IN SOUTH AFRICA

Renewed interest is being manifested in Southern Rhodesia in the proposal to build a power and irrigation dam at the Kariba Gorge on the Zambesi River (the boundary between northern and southern Rhodesia), according to the South African press.

Below Victoria Falls, the Zambesi River flows through comparatively level country until it reaches a range of high hills through which it passes in what is called the Kariba Gorge to another stretch of level country beyond. The plan is to dam this gorge to create a reservoir to maintain a steady flow of water in the dry season and also to supply power and water for irrigation.

Electrical Machinery and Equipment

SPAIN HAS NEW ELECTRICAL PLANTS

An important new substation has been completed near Madrid by the Sociedad Saltos del Duero to help meet the city's increased demands for electricity, states the foreign press.

One 138/46-kilovolt transformer and one of 46/15 kilovolts, and one 15-kilovolt, 20,000 kilovolt-ampere synchronous condenser have been installed; three more sets will be added later.

Eventually, the station will be used to step down the power from 4 incoming 138-kilovolt transmission lines from the Duero hydroelectric installations about 190 miles away.

Air Observers' Words Recorded

Allied airmen on reconnaissance flights are forsaking the old pad-and-pencil method of setting down their observations. Instead, they can now dictate their reports into a microphone, and their words are recorded on thin wire wound around a spool 3 inches in diameter.

The British press states that the recording instrument weighs about 9 pounds and that it will hold a "speech" lasting as long as 26 minutes.

SWEDEN TO MAKE ELECTRIC WELDING EQUIPMENT

A large Swedish electrical company recently completed a plant for the manufacture of electric welding equipment, according to the foreign press, and is planning a line of approximately 500 types and sizes. Prior to the war, all heavy welding equipment was imported.

SOUTH AFRICAN SALES OF ELECTRICITY

The 1942 report of the Electricity Supply Commission of the Union of South Africa shows increases both in total output and in sales, despite such wartime difficulties as blackout regulations and scarcity of household electrical appliances.

The total quantity of electricity generated during 1942 was 4,474,600,000 kilowatt-hours, an increase of 100,300,000 kilowatt-hours, or 2.29 percent, over 1941 production. Sales of electricity, including that obtained from outside sources as well as that generated in the Commission's own stations, amounted to 4,320,800,000 kilowatt-hours.

The following table shows distribution of sales in 1942 and the percent of increase or decrease compared with 1941:

Supplies	Million kilowatt-hours	Percent of increase or decrease compared with 1941
Bulk supplies:		
Mining.....	3,324.9	+1.67
Municipal.....	319.8	+2.41
Direct supplies:		
Traction.....	423.8	+1.46
Mining.....	51.6	+4.51
Industrial.....	179.2	-3.01
Domestic and street lighting.....	21.5	+10.41
Total.....	4,320.8	+1.57

Revenue for 1942 totaled £3,138,147, an increase of £129,473 over the preceding year, and costs rose from £3,094,520 to £3,134,331. Surplus for the year was £3,816.

The Commission endeavors to operate at neither a profit nor a loss.

CONSERVATION OF CURRENT IN YUGOSLAVIA

Consumption of electric current is being drastically curtailed in the Zagreb area of occupied Yugoslavia because of a coal shortage, according to foreign press reports.

An order issued during the summer provided that industrial establishments, workshops, and private enterprises could use electricity only from 6 a. m. to 2 p. m. on workdays and could use none on Sundays. Current for lighting and the operation of electric appliances was limited to 50 percent of the amount used during the corresponding months of 1942.

Further restrictions were ordered late in August. At that time, private dwellings, apartment houses, and industrial plants that in 1942 did not consume more than 5,000 kilowatt-hours, and commercial concerns were ordered to reduce consumption to 60 percent of the quantity then authorized. Industrial plants that had already limited consumption were exempt from this decree.

The power shortage also made neces-

Dutch Eels for Nazi Stomachs Only

A Hollander escaped to England reported recently that the ports of Rotterdam and Amsterdam, bombed and blockaded by the Allies, had not been in use since mid-June. The informant said that ships of the Netherlands fishing fleet which were in port or in home waters at the time of the occupation had been gradually seized by the Germans, except for a small number of luggers.

Fishing smacks continue to ply the Zuider Zee, but the entire catch is sent to Germany. In Friesland Province eels are no longer available to the population, as eel fishers have been ordered to deliver their catches to German receiving offices. The eels are consumed by the German Army and by workers employed by factories which are producing for the Nazis.

sary a reduction in street car operations. Service starts an hour later in the morning; some lines have been shortened; others are used only in rush hours; and some have been discontinued.

Foodstuffs and Allied Products

Coffee and Cocoa

BRAZILIAN COFFEE CONSUMPTION

Brazil's domestic consumption of coffee in 1941 amounted to 4,487,500 bags of 60 kilograms each (1 kilogram=2.2046 pounds), according to statistics compiled by the Departamento Nacional do Cafe. This amount represents a per-capita consumption of about 14 pounds, figured on total population of 41,565,083, or 18 pounds for each person over 6 years of age.

DOMINICAN REPUBLIC MOVES ITS COCOA CROP EARLY

Cocoa moved into trade channels in September reduced the total amount on hand in the Dominican Republic from the 1943 summer crop to 105,000 bags of 70 kilograms each (1 kilogram=2.2046 pounds). Of this amount, approximately 80,000 bags are in the port of Sanchez and 25,000 are in Puerto Plata. No stocks of cocoa remain in warehouses in the interior, and it is expected that all cocoa will have been shipped before the 1943 winter harvest begins to move to ports. No movements in quantity are expected before the middle of November, however.

The present situation is much better than that of September 1942, when practically none of the summer harvest had been made.

Present prices being received by producers vary between \$5.50 and \$5.75 per 50 kilograms.

Exports during August 1943 were the largest of any single month in the current year.

Dairy Products

BRAZIL IMPROVES DAIRY INDUSTRY

The dairy industry in Sao Luiz, Brazil, is reported to have been reorganized in the past 2 years. Not only is all milk sold in the city required to be pasteurized, but all dairies located within the city limits were ordered to find new locations outside the city.

A milk-pasteurization plant equipped with modern machinery has been in operation for more than a year. Dairy farmers deliver milk to the plant twice each day. The milk is weighted at the time of delivery, and later in the day the dairymen arrive for their share of the bottled pasteurized milk. They receive 90 percent by weight of the milk they deliver, the 10 percent reduction taking care of normal shrinkage in handling and pasteurizing.

Daily output of the plant is about 1,370 liters (1 liter=1.0567 quarts).

BUTTER AND MARGARINE RATIONS IN SWEDEN

The State Food Commission of Sweden announced that, during the September 7-October 4 rationing period, one-half of the fat allotment must consist of household margarine. This order nullifies one made in July, which directed Swedish manufacturers of margarine to limit their production of household margarine by 50 percent. The midyear rule was made because an increased butter supply during the summer made it possible to allow consumers to have three-fourths of their weekly ration of edible fats in butter and one-fourth in household margarine. Therefore, the situation in September will be the same as it was in June—on a 50-50 butter and household margarine basis.

Fish and Products

NEW ZEALAND'S OUTPUT OF CANNED FISH

Production of canned fish, other than shellfish and white bati, in New Zealand, amounted to 661,338 pounds in 1942. During the first 6 months of 1943, production totaled 436,547 pounds, according to the report of New Zealand Marine Department.

Fruits and Vegetables

CANADIAN CANNED OUTPUT DIMINISHED

The Canadian canned fruit pack of 1943 is not likely to exceed 800,000 cases, about 50 percent of the 1942 pack. Jam production is also small.

Ontario canners complain that price ceilings on canned strawberries and raspberries are less than production costs.

Canners are subsidized \$67.50 per ton for peaches, \$40 for Bartlett pears, \$20 for Keiffer pears, and \$50 for plums in order that growers may be paid prices of \$130, \$80, \$60, and \$100 per ton, respectively.

The canned vegetable pack is estimated at 9,000,000 cases, about 82 percent of last year's pack, including 1,000,-

000 cases for the armed forces. Peas are estimated at 1,750,000, which is 50 percent of last year's pack; tomatoes 2,000,000 cases or 91 percent; corn 1,800,000, about the same as last year; string beans 700,000, 78 percent; asparagus 200,000, equal to last year's pack; pumpkin 250,000, or 117 percent; and spinach 50,000, 73 percent of 1942 pack.

Growers of tomatoes, peas, corn, and beans for canning are being subsidized more heavily than last year. The canner pays the grower a higher price and is reimbursed by a subsidy on the canned product.

HUNGARIAN FRUIT AND VEGETABLES GO TO GERMANY

The Hungarian Government has agreed to supply Germany with fresh and canned fruits and vegetables to the value of 72,000,000 marks, according to the foreign press, but Germany is requesting 120,000,000 marks' worth of these products.

Grain and Products

MEXICAN CORN CROP REDUCED

Present prospects for the corn crop in Mexico indicate that the harvest may be about 1,900,000 metric tons. This is 20 percent less than the 2,350,000 tons produced last season.

A RECORD WHEAT CROP IN SOUTH AFRICA

The 1942-43 wheat crop in the Orange Free State, Union of South Africa, is likely to exceed 2,500,000 bags of 200 pounds each, a record figure, according to preliminary estimates. In 1941-42 the crop was only 700,000 bags, and in 1940-41 it was 1,471,090 bags.

Meat and Products

MEAT OUTPUT IN URUGUAY INCREASED

Official statistics of livestock slaughter in Uruguay in the first 6 months of 1943, as compared with the corresponding period of 1942, are shown in the following table:

Livestock	January-June			
	1942		1943	
	Number	Pesos	Number	Pesos
Cattle.....	758,000	39,896,000	861,000	41,831,000
Sheep.....	451,000	1,717,000	691,000	2,746,000
Hogs.....	41,000	1,095,000	49,000	1,349,000

Nuts and Products

SPANISH NUT INDUSTRY AIDED

The Spanish Ministry of Industry and Commerce has authorized the free exportation of almonds and filberts and oils derived from these products to all countries with which Spain maintains commercial relations.

During recent years an embargo on the exportation of products of this type, and low prices established by the Spanish Price Commission, have severely affected the economic condition of the orchard owners in southern Spain, who produce most of the Spanish almonds and filberts.

Shipbuilding at Cartagena, Colombia

The motor vessel *Castillo Rada*, the first built by the new shipyard at Cartagena, Colombia, recently completed its trial run successfully, reports the newspaper *El Siglo*, of Bogotá, the Colombian capital. This vessel of 200 tons has accommodations for 65 persons and is planned for passenger, freight, and live-cattle traffic between Cartagena and Colon, Panama. In the first trip the *Castillo Rada* carried 125 tons of freight, a number of passengers, and a shipment of cattle taken on board at the Colombian port of Cispata.

The shipyard that turned out this vessel also reportedly has under construction a 400-ton motor vessel to be named the *Bogotá*, scheduled to be launched at an early date. The yard has an order from the island of Aruba (Netherlands West Indies) for the building of a 200-ton barge, and a Canadian firm in the banana business in Colombia is said by the Colombian press to be interested in the construction of a 300-ton motor vessel at Cartagena, having offered to provide the necessary motors.

The shipyard, say the press accounts, is faced with great difficulty today in obtaining essential materials—such as nails, wire, paint, ropes, pipes, and other requisites—all of which supplies are said to be exhausted at Cartagena.

Press comment is urging the Colombian Government to take steps looking toward the correction of that situation.

By opening the way to a renewed foreign trade in these products, the Ministry of Industry and Commerce makes it possible for the free play of international prices to exert a beneficial influence both in the growing regions and, eventually, throughout the whole country through expanding commerce.

The export price has not been definitely fixed, but a series of prices have been established. They range from 8.75 to 11.75 pesetas (10.95 Spanish pesetas equal \$1.00 U. S. currency) per kilogram (1 kilogram=2.2046 pounds) for shelled filberts and from 2.75 to 4.70 pesetas for unshelled filberts, according to the variety of the nut, class, and quality. These prices form the basis for calculating growers' participation in "repayments," that is, withholding taxes assessed upon the profits of the exporter to make an additional income available for the orchard owner.

Shelled almonds have been exported from Spain in the past primarily to Switzerland, Argentina, the Axis countries, and Scandinavian regions. Less than one-fourth of the total exportations have gone to Spanish possessions. The

1941 exports of 7,177 metric quintals (1 metric quintal=220.46 pounds) were larger than the 1942 exports of 5,907 quintals, but prices in 1941 were lower than they were last year. Prices are not expected to rise rapidly this year because stocks of almonds are high, foreign demand is comparatively low, and the domestic market is saturated.

Exports of unshelled almonds from Spain in 1942 amounted to 12 metric quintals as compared with 173 quintals in 1941.

Unshelled filberts were practically all shipped to Spanish possessions, exports in 1942 amounting to 1,010 metric quintals, as against 804 quintals in 1941. The exportation of shelled filberts was drastically cut in 1942, under the embargo, and only about 55 metric quintals were shipped as compared with 1,520 quintals in 1941.

The value of shelled filberts exported fell from 201,015 pesetas in 1941 to 15,544 pesetas in 1942, of which 1,694 pesetas represented the share of the non-Spanish territories.

Poultry Products

EIRE REGULATES SHIPMENTS OF EGGS

The Irish Department of Agriculture has prohibited the export of small quantities of eggs and poultry carried by post or by persons leaving the country. The order became effective August 20. No official explanation of the decision was offered, but, according to a press comment, egg exports through the post and by hand had become so large that they were tending to keep internal prices high and affected regular exports.

Approximately 2,433 tons of eggs were shipped as freight from Cork to England during the period January-August 1943. Shippers calculate that a conservative estimate is about 35 cases per ton, which would mean an export of 85,155 cases, or 2,554,650 dozens of eggs. It is stated that all of these shipments have been made to an English port. There is no demand in Scotland, as that country imports frozen eggs. It is therefore possible that the Government's ban on parcel-post egg shipments may not have been so much with the view to conservation of eggs in Eire as the desire to direct the trade through specific channels.

Spices and Related Products

JAMAICA'S PIMENTO CROP LOW

The 1943 pimento crop in Jamaica is estimated at 25,000 to 30,000 bags as compared with a yield of 45,000 bags last year. The pimento crop in the coastal belt was reported as normal this year but production in the hill country was poor.

The entire pimento crop was purchased by the Ministry of Food of the United Kingdom at a price of £4 16s.9d. per bag to the grower and £6 per bag to the dealer.

Sugar and Products

AUSTRALIAN SUGAR CONSUMPTION

Consumption of sugar in Australia by the civilian population in private houses and public eating places, but excluding the armed forces and manufacturing

uses, was about 74 pounds per head in 1939; 76 pounds in 1940; and 78 pounds in 1941 and 1942, according to official figures, states the foreign press.

Consumption in 1943, under existing ration scale, excluding the armed forces and manufacturing uses (in foodstuffs) is estimated at from 68 to 70 pounds per head.

PANAMA'S SUGAR CROP INCREASED

The 1943-44 sugar crop of Panama is estimated at 13,227 short tons as compared with 8,863.7 tons in the previous season.

Visible stocks of sugar in Panama on June 30, 1943, amounted to 5,500 short tons, and as domestic consumption in the 3-month period ended September 30, 1943, amounted to 3,300 tons, stocks at the end of September totaled 2,200 tons.

There were no exports or imports of sugar from June 30 to September 30, 1943.

Leather and Related Products

Leather and Manufactures

DOMINICAN REPUBLIC INCREASES LEATHER OUTPUT

Statistics from the Dominican Republic's largest tannery, which produces approximately 25 percent of all leather manufactured domestically, indicate progressive gains in output since 1941, particularly in upper leather. Increased production has also been noted in the 17 other tanneries in the Republic. Decreased imports and an improved export market are largely responsible for the gains.

Production of belting leather began in 1942, as a substitute for the United States product, imports of which were being seriously curtailed. Approximately 200 pounds were produced during that year. Manufacture has continued during 1943, but at an irregular rate, as belting leather is fabricated only by order. More than 160 pounds had been produced by mid-September.

RUMANIANS ASK PERMISSION TO HAVE SHOES MADE

Rumanians who wish shoes made to order from material which they themselves have supplied, must first obtain permission from the local district commission, according to the Rumanian press.

SOUTHERN RHODESIA HAS NEW TANNERIES

Two tanneries have recently been started in Southern Rhodesia and two firms in Salisbury and Gwelo are now making boots and shoes in large numbers, according to a British publication.

Hides and Skins

INDIA'S EXPORTS OF SKINS DECREASE

Raw skins exported from India during 1942-1943 were valued at 28,148 rupees as compared with 38,877 rupees, at which 1941-42 exports were estimated.

Tanned hide exports also indicated a decrease, having had a value of only 26,384 rupees, in 1942-43 as compared with 38,882 rupees in 1941-42.

PERU'S OUTPUT AND USE OF HIDES AND SKINS

Estimated production of hides and skins in Peru during August 1943 came to 130,000 cattle hides, 700,000 sheepskins, and 320,000 goat and kid skins. Domestic consumption during that period amounted to 19,885 cattle hides, 16,000 sheepskins, and 4,500 goat and kid skins.

RUMANIA TO USE DOG SKINS IN SHOES

Dog skins are to be used in the manufacture of shoes in Rumania, but only for the facings and linings, states the Axis press.

URUGUAY'S OUTPUT OF HIDES AND SKINS

Production of hides and skins in Uruguay during August 1943 is estimated at 53,872 cattle hides, 4,114 calf skins, and 90,465 sheep and lamb skins.

Tanning Materials

NEW PLANT IN COLOMBIA TO PRODUCE TANNING MATERIALS

A new plant near Buenaventura will produce tanning materials from mangrove bark, according to the foreign press.

Lumber and Products

NEW FACTORY IN CEYLON MAKES PLYWOOD

The plywood factory at Gintota, Ceylon, has made rapid progress, a British trade paper reports.

Additional varieties of lumber have been found suitable for the manufacture of plywood, resulting in a considerable increase in output. Only selected types



were used at first, but recent experiments have shown the suitability of several timbers found in forests near the plant.

Investigations are also being conducted at Gintota on new types of plywood containers. These containers will be made waterproof by coating them with bituminous paint, a process which will also help destroy bacteria.

Work on the extension of the factory's electric-power facilities is nearing completion.

Medicinals and Crude Drugs

MEDICINAL HERBS OF AFGHANISTAN

Asafetida is widely grown in Afghanistan, and considerable quantities are exported to India where it is used as medicine. It is estimated that there is an exportable surplus of 330,000 to 550,000 pounds each year.

The following medicinal herbs are reliably reported to be cultivated in Afghanistan: Gum tragacanth, saffron, agaric, fraxin, tansy, fumitory, carthamus, hemlock, atropine, hyssop, night shade, coriander, henna, fenugreek, costus maritima, and costus indiana.

BOLIVIAN EXPORTS OF CINCHONA INCREASE

Bolivian exports of cinchona to the United States were 13 times greater in August than they were in July, and 30 percent greater than the average of the first half year.

FRENCH CONTROL OF MEDICINES

All French proprietary-medicine manufacturers must now submit their products to a special examining committee, states a foreign trade journal. Medicine without the committee's stamp of approval cannot be offered for sale.

INSULIN RATIONED IN THE NETHERLANDS

Diabetic patients in the Netherlands receive coupons each quarter for insulin. At the end of that time coupons become invalid and new ones must be obtained before more of the drug can be secured, reports a foreign chemical and drug magazine.

YUGOSLAVIA TO HAVE MUNICIPAL PHARMACY

Plans are under way to open a large municipal pharmacy in the center of Belgrade, Serbia, to accommodate about 50,000 of the city's employees, their families, and the needy. The enterprise is backed by a Vienna firm, according to the foreign press.

Motion Pictures and Equipment

CHAIN THEATERS IN THE UNITED KINGDOM

Associated British Picture Corporation, Ltd., is reported by the foreign press to have acquired 44 theaters from the Mayfair Circuit. Associated British, the second largest motion-picture corporation in England, now operates more than 500 theaters.

Nonferrous Metals

CANADA'S GOLD OUTPUT REDUCED

The value of output of gold-producing properties in British Columbia, Canada, has been estimated for 1943 at \$16,000,000. All but 7 of the 25 major properties have been closed. Production previously dropped in value from \$22,000,000 in 1939 to \$19,000,000 in 1942.

MINERAL EXPLORATIONS PLANNED IN CANADA

Exploration in the Yukon by field parties of the Geological Survey of Canada will include a study of a belt 10 to 15 miles wide along the Alaska military highway between Teslin and Watson Lakes in an area lying north and south of the Yukon-British Columbia boundary. In the Mayo district, tungsten and tin occurrences will be studied and the geology of the areas in which discoveries have been reported will be mapped.

Deposits of scheelite and other tungsten ores in placer form have been known in the Mayo district since 1904. There were no shipments between the last and the present wars, but several tons of concentrate were shipped in 1942. The price of a unit of tungsten tri-oxide has risen from \$17 to \$26.50 and the Department of Mines and Resources advances to producers 75 percent of the estimated value of a consignment—a distinct benefit because navigation and transportation difficulties make it necessary to hold some shipments over from one season to another. A good road and a bridge across the McQuesten River have also improved conditions for mining and prospecting.

Sources of placer tin are also to be studied. Cassiterite has been found in the pebbles of Dublin Gulch and an examination of 800 pounds of sand from

Haggart Creek assayed 30.80 percent tin and 12.24 percent tungsten. Samples of sand taken last year from various creeks contained cassiterite and scheelite. Scheelite has been found in small veins and pegmatites at the heads of Dublin Gulch and Johnson Creek. Some say, however, that greater possibilities are offered in the contact metamorphic deposits found for the first time in 1942 in the area near Dublin Gulch.

SOUTH AFRICA'S GOLD PRODUCTION

Production of 1,089,708 fine ounces of gold, valued at £9,153,547 is reported by the Transvaal Chamber of Mines, Union of South Africa, for July 1943. Although these figures represent increases of 25,136 ounces and £211,142 over totals for June, 1943, the output for the first half of 1943 was 14.5 percent below that of the January-June period of 1942.

Nonmetallic Minerals

NEW MINERAL PRODUCTS TO BE MADE IN SOUTH AFRICA

Output of asbestos cement products in Southern Rhodesia has been expanded to include the manufacture of concrete pipes, says the foreign press.

Possibilities for the manufacture of glass from local sands are being investigated, and a pottery industry for the manufacture of pipes and possibly crockery is under consideration.

Oils and Oilseeds

SESAME-SEED PRODUCTION, AFGHANISTAN

Most sesame seed from Afghanistan is sent to India. Latest official reports state that Afghanistan has an exportable

surplus of about 660,000 pounds of this seed each year.

ARABIAN FISH-OIL FACTORY ESTABLISHED

A small fish-oil factory was established and began production during 1943 in Mukalla, eastern Aden Protectorate, Arabia. The British Government, it is reported, is largely responsible for its financial backing.

BULGARIA TO PRODUCE "CASTOR OIL"

In Bulgaria, "castor oil" in the future will be a product of rapeseed. Farmers are being given the seed free of charge and are thus encouraged to plant it. The Government purchases all supplies.

OILSEED COLLECTIONS ORGANIZED IN BULGARIA

Bulgarian authorities have organized collections of watermelon and muskmelon seeds. Estimates are that the former contains 17 percent oil; the latter, 25 percent. About 300,000 decare (one decare=0.2471 acre) of Bulgarian land annually are planted in melons, from which 40,000,000 kilograms of seed are produced. From these, a minimum of 8,000,000 kilograms of oil is usually obtained.

These sources are expected to supplant imports of oil which formerly have been used for industrial purposes.

State foresters in Bulgaria are to organize and supervise the collection of beechnuts for the production of oil. They will hold all persons owning forests containing beech trees responsible for delivering the gathered nuts to oil factories. The price has been set at 10 leva (1 lev=1.2 cents) per kilogram.

NEW OLIVE TREES FOR FRENCH MOROCCO

Olive-oil production in French Morocco is not expected to be sufficient to meet local demands for several years, even though the planting of olive trees continues at the usual rate. Local authorities and technical advisers have worked together to rejuvenate old olive plantations. For 2 years in large areas in Morocco one of the most effective means of regenerating unproductive trees has been by grafting "oleastres." This will be contained, reports an official of the Morocco Government. In order to obtain authorization to plant new vineyards, the grower must plant a required number of olive trees.

HUNGARY HAS LARGE OILSEED CROP

Approximately 384,000 acres of oilseeds were sown in Hungary this year, the Budapest press states. An effort is being made to accustom the people to using vegetable oils in place of lard for cooking. Lard is expected to be in short supply as a result of a grain shortage which made it necessary to slaughter a great many hogs before they were fattened.

INDIA RAISES LARGE PEANUT CROP

The first forecast for the 1943-44 peanut crop in India, based on reports from 97 percent of the total area under cultivation, is 2,807,000 acres, or 1.7 percent less than 2,809,000 acres for the corresponding period of last year.

A large increase in the peanut plantings in the Madras Province is attributed

Mineral Resources of Afghanistan

Most of the mineral resources of Afghanistan are undeveloped. Limited extracting equipment (consisting of a few compressors, drills, and crushers) and a lack of transportation facilities for bulky items such as ores are largely responsible for failure to develop the deposits. In addition, many of the deposits are found in remote locations.

Coal deposits include a mine at Darra-i-Sauf, said to contain nearly 60,000,000 tons, and another at Barfak capable of yielding 100,000 tons, chiefly in the form of coal dust. Fuel for the Baghlan Sugar Factory is obtained from a nearby mine and briquetting plant; another briquetting plant near Kabul produces a small quantity of coal for that city.

A cement factory was established some time ago in Kabul, supplies of lime being plentiful, but fuel shortages caused the plant to close.

In the region of Herat, an ancient copper mine has been rediscovered, and antimony and lead occur in one deposit. Lead is found also in the Ghorband Valley.

Reports differ on the quality of asbestos that is available, but some specimens have fibers as long as 10 to 12 inches. The mica deposits of Maidan and Fanshir are reported to be suitable for sale only as scrap or waste. Rock salt occurs principally in Badakshan and crystal salt in the Seistan. Discoveries of graphite and gypsum have been claimed by Polish geologists.

Small quantities of Afghanistan marble are used in a lapidary factory in Kabul. Certain high qualities of quartz are in demand for jewelry, but the rubies that are mined are poor in quality, and tourmaline has not proved to be worthy of exploitation on a large scale. Lapis lazuli, however, is plentiful in Badakshan Province and is believed to be the best in the world. Formerly large quantities were exported to Germany.

to good prices and to insufficient irrigation sources for the growth of a second crop of rice.

The final figures for the 1942-43 season's peanut yield were 7,431,000 acres and 2,714,000 long tons.

MEXICO'S VEGETABLE OILSEED PRODUCTION

Production of vegetable-oilseeds in Mexico has recently shown a significant increase. In the State of Jalisco, acreage devoted to this type of planting has been enlarged and, though irregular rains have affected other harvest, the oilseed crop appears to be undamaged.

The drought, however, had an unfortunate effect on the 24,000 acres devoted to these commodities in Tamaulipas, and production is expected to be almost nil.

Tampico, Mazatlan, and Matamoros areas are among those receiving greater attention in regard to their vegetable-oil possibilities.

PRODUCTION OF TUNG OIL IN NYASALAND INCREASED

Nyasaland's production of tung oil in 1942 was double that of 1941, and the present tung-nut crop is expected to show a further increase of 130 percent, states a foreign publication.

SWEDEN'S PRODUCTION OF OIL FROM PLANTS

The 1942 crop of oil-bearing plants in Sweden yielded 8,000 tons of fats for margarine production, and it is believed that the country will double its edible oil plant production in 1943, according to the foreign press. Before the war Sweden imported about 6,000 tons of edible oils each year.

Paper and Related Products

ARGENTINA'S IMPORTS (EXCEPT NEWS-PRINT) INCREASED IN 1942

Imports of newsprint into Argentina during 1942 amounted to 84,113 short tons, according to a Canadian publication. This represented a 43-percent decrease from the 148,331 short tons imported during the preceding year.

Argentina plans to obtain 36,000 tons of newsprint from Sweden in 1943 and the remainder of its requirements from Canada and Newfoundland. Although steamship service between Argentina and Sweden was suspended during the first 5 months of 1943, Swedish steamers were expected to again arrive in Buenos Aires, it was stated.

Imports of heavy wrapping paper rose from 6,801 short tons in 1941 to 22,793 short tons in 1942. Sweden supplied 20,685 short tons of the 1942 imports.

Paperboard imports into Argentina during 1942 also showed a considerable increase, totaling 11,960 short tons compared with 5,784 during 1941.

Other papers imported amounted to 38,307 short tons, approximately 17,000 short tons more than the 1941 figure.

Imports of wood pulp for paper into Argentina during 1942 amounted to 46,-

For "Interminable Mastication": Nicaraguans Want to "Chew Their Own"

The newspaper *El Norte* of Managua, Nicaragua, reports that, at a recent meeting of bankers, merchants, businessmen, industrialists, and agriculturists in the local Chamber of Commerce Building, to discuss the industrial and agricultural problems of the nation, one of the topics considered was the desirability of establishing soon a chewing-gum factory in Nicaragua "equal to those now functioning in Mexico, Guatemala, and other countries."

"This new industry," says *El Norte*, "will save the money which for a long time has left our country to pay for imported chewing gum—not only supplying the local market but also, perhaps, producing a surplus for export." Following this comment is the definite assertion that "an expert in the elaboration of this 'masticación interminable' will produce chewing gum in Nicaragua at half the price of the imported article—a package such as previously sold for 10 cents will sell for 5 cents. This new industry will mark an important step in the progress of the nation."

Crude chicle reportedly abounds in the Department of Chontales, where the tree grows wild.

The habit that so many million people find pleasurable is by no means a recently acquired custom for the children and adults of Central America and Mexico, because historical tradition tells us that the Spanish Conquistadores who first touched these lands found the "original Americans" chewing gum, as well as bouncing rubber balls, smoking pipes, and eating baked potatoes—four practices that have since spread far beyond the Middle American shores.

472 short tons, a slight increase over the 44,021 short tons received during the preceding year. Approximately 96 percent of the 1942 imports of wood pulp came from Sweden.

PRODUCTION IN KIANGSI PROVINCE, CHINA

Paper ribbon for telecommunication, produced by the Ihwang Paper Mill, and good-grade waxed stencils, manufactured by the Min Sen Educational Supply Factory, are produced in large quantities in Kiangsi Province, China. The paper-making industry in that area reportedly has made rapid strides during the past few years.

NEW PLANTS ESTABLISHED IN INDIA

Palestine's paper industry reports the establishment of two new plants, according to a British publication. One plant is said to produce a common board made of cotton waste and a pulp gained from banana and orange peels and banana leaves. A patent for manufacturing board from such raw materials has been obtained.

The other plant, which operates on a much broader basis, produces common wrapping paper. Papyrus found in Palestine's lake districts provides raw material. The same plant produces the so-called "brown leather board" from salvaged leather cuttings.

It is believed that the establishment of these plants may have laid the foundation for possible post-war manufacture of cheap boards from domestic raw materials.

INDIA'S IMPORTS DECREASE

Imports of paper into India during 1942-43 were valued at 16,508 rupees compared with imports valued at 30,438 rupees in 1941-42.

IMPORTS INTO NYASALAND DECREASE

Imports of paper, stationery, and ink into Nyasaland during the 4 months

ended April 30, 1943 were valued at £3,974 compared with £6,011 in the corresponding period of 1942, according to a British publication.

FURTHER PAPER-CONSERVATION MEASURE IN U. K.

To further conserve paper, railway season tickets in Great Britain are to be thinner and smaller than formerly, states a British publication. As existing stocks are used up, the new tickets will be printed on cardboard 0.015 inch thick. Based on a yearly issue of 326,077,500 season tickets by the main-line railways and the London Passenger Transport Board, this measure will result in the release of 326 tons of paper pulp for war purposes.

Petroleum and Products

PRODUCTION IN ALBERTA, CANADA

Total oil production in Alberta, Canada, during July 1943, including natural gasoline, amounted to 816,776 barrels compared with 845,013 barrels for July 1942.

Natural-gas production amounted to 3,683,835,000 cubic feet in July 1943, a slight decrease from the corresponding period of 1942 when 3,697,220,000 cubic feet were produced.

Crude oil and natural gasoline in storage in Alberta on August 1, 1943, amounted to 511,040 barrels compared with 443,728 barrels on August 1 a year ago.

Refined-petroleum stocks in Alberta on July 1, 1943, totaled 1,192,774 barrels, an increase of 4,504 compared with July 1, 1942, when 1,188,270 barrels were in storage.

Recent important developments in Turner Valley were the large well

Rules Governing Export of Protective Coatings

The Chemical Division of the War Production Board announced recently the procedure which must be followed by manufacturers who desire to export protective coatings or raw materials used in protective coatings under Office of Economic Warfare licenses.

1. If the item to be exported is the finished paint, varnish, or lacquer, license application Form BEW-119 must be submitted in quadruplicate to the Chemicals Section, Chemicals and Health-Supplies Division, Office of Exports, Office of Economic Warfare. The manufacturer must further submit to OEW end-use information insofar as possible and state the types of paint, varnish, or lacquer in question. In addition the principal components which are under WPB allocation should be shown.

2. To obtain the allocated raw materials required for producing the paint, varnish, or lacquer to be exported, the manufacturer must show on WPB-2945 forms filed with the War Production Board the export license number granted by OEW. No allocation of raw materials will be made until this license number is obtained.

3. Where manufacturers desire to export allocated raw materials for producing protective coatings in a foreign country, the required WPB-2945 or similar forms must be sent directly to the Office of Economic Warfare together with license application Form BEW-119 in quadruplicate. When the license application has been approved, OEW will send the WPB-2945 forms to the War Production Board for allocation.

brought in on the south end of the field which was believed by oilmen to be dry territory, and another in the north extension of the field. One of the wells produced at the rate of 200 barrels per hour, while the other spouted 75 barrels per hour prior to acidization.

The second largest field in Alberta is at Taber, where three wells produced nearly 9,000 barrels of crude oil in July 1943.

PETROLEUM INSTITUTE ESTABLISHED IN BOGOTA, COLOMBIA

A petroleum institute similar to the one in the United States has been established in Bogota, Colombia, states a foreign publication.

INCREASED PRODUCTION IN PERU

Production of crude petroleum in Peru for the first 6 months of 1943 amounted to 7,281,140 barrels, compared with 6,540,079 barrels for the corresponding period of 1942. Natural-gasoline production during the first half of 1943 totaled 540,153 barrels, compared with 521,151 barrels for the first half of the preceding year.

Radio

TELEVISION SETS EXHIBITED IN ARGENTINA

The first television transmitting and receiving sets to be operated in Argentina were exhibited September 22 by the Instituto Experimental de Television, a private organization. All materials used in constructing the sets, with the exception of tubes, were obtained in Argentina.

The president of the Instituto Experimental de Television has stated that so far all work has been on an experimental basis and that commercial operations will not be started until after the war.

Shipbuilding

TWO MOTORSHIPS LAUNCHED IN SWEDEN

The all-welded cargo motorship, *Krageholm*, of 6,500 deadweight tons, recently launched in Sweden, has refrigerated holds for fruit and has accommodations for 8 passengers. A speed of 16½ knots is expected from the 6-cylinder, double-acting, 2-stroke, Diesel engine of 6,000 indicated horsepower.

Launching of the *Vretahom*, of 7,300 tons deadweight, is also reported by the foreign press. This vessel is propelled by an 8-cylinder, single-acting, 2-stroke, Diesel engine which develops 6,400 indicated horsepower.

SWEDISH SHIPBUILDING INDUSTRY DEPENDENT ON STEEL IMPORTS

The Swedish shipbuilding industry uses between 80,000 and 100,000 tons of steel a year, says the foreign press, and only 15,000 tons of this is manufactured in Sweden. This year steel imports from Germany for the shipyards are expected to amount to 55,000 tons.

The hot rolled steel that is used in shipbuilding was made subject to sequestration in Sweden on August 1, 1943, but it is thought that shipyards will get an adequate supply of the seized raw material. Steel for vessels already under construction or being repaired was not expected to be affected.

A shipbuilder has called attention to the fact that practically all the steel used in the shipbuilding industry is manufactured under special order for each vessel under construction and cannot be easily shifted to construction of another vessel; this is also true of steel for repairs.

Soaps and Toiletries

ARABIAN SOAP PRODUCTION

The soap factory at Aden, Arabia, reportedly produces only a cheap grade of laundry soap and has a daily output of approximately 200 cases. During the first 6 months of this year, the factory ceased operations for a few weeks because of a lack of essential oils. After obtaining a quota of coconut oil from East Africa, it resumed work in July.

Aden's entire production of soap is used locally.

COSMETIC MANUFACTURE PROHIBITED IN YUGOSLAVIA

The manufacture of all cosmetics except toothpaste and talcum powder, is prohibited in Yugoslavia, reports a foreign trade magazine.

Special Products

CARDBOARD USED BY CANADIAN TOY MANUFACTURERS

Toy manufacturers in Canada are finding cardboard well suited to their needs, the Dominion press says.

Cardboard was first used as a substitute for materials now being channeled into war production, but it has been found to have a number of distinct advantages. It is light in weight, has great tensile strength, can be finished easily in any color or combinations of colors, and can be produced economically. In addition, there is little danger that cardboard toys, if dropped, will hurt the children or damage furniture.

MEXICAN IMPORTS OF WATCHES INCREASE

Only 168 wrist and pocket watches were imported by Mexico in March 1943, but the total number received during the first 3 months of this year was officially reported as 20,849 valued at 200,376 pesos.

A large number of the watches came from Switzerland.

Textiles and Related Products

Cotton and Products

SOUTHERN BRAZIL'S ESTIMATED COTTON CROP

Southern Brazil's 1942-43 cotton crop is now expected to be larger than was originally anticipated. The second official estimate is 374,261 metric tons—25,122 tons higher than the first estimate.

Our Free Enterprise Gives More Social Gains Than Any Other System

BRAZIL'S COTTON-TEXTILE OPERATIONS, 1942

Brazil's cotton-textile industry is reported to have operated 2,787,859 spindles and 88,447 looms in 1942.

IRAQ'S ESTIMATED 1942 COTTON CROP

Iraq's 1942 cotton crop is estimated at 4,500 bales of 160 kilograms each. This is far below the 19,845 bales of lint cotton produced in 1941.

The 1943 crop is expected to be even smaller, possibly not more than 400 tons of lint cotton. Planting of cotton has dwindled because farmers find that grains are easier to cultivate and at the present time bring higher monetary returns.

RECORD COTTON CROP EXPECTED IN MEXICO

Mexico's 1943 cotton crop is expected to be one of the highest on record. Preliminary unofficial estimates place production as high as 480,000 to 500,000 bales, even exceeding the 410,000 bales of 1942.

Early droughts seem to have had no detrimental effects, and insect damage was slight.

PORTUGUESE COTTON MILLS RESUME OPERATIONS

Sufficient cotton was received in Portugal toward the end of August to permit mills to operate on a normal basis, after having been closed temporarily for lack of raw materials.

Prices of cotton piece goods continued their upward trend.

COTTON PRODUCTION DECREASES IN SOUTH AFRICA

South African farmers are gradually shifting their crops from cotton to foodstuffs.

Only 710 bales of cotton were produced in 1941-42, and a like amount is expected for the 1942-43 crop year. In 1940-41, growers reported a crop of 1,612 bales. The entire production is consumed within the Union.

COTTON SPINNING, U. K.

Overtime in cotton-spinning mills in the United Kingdom continued throughout the summer.

Business was light during August, but sufficient orders are on hand to keep mills busy for the next several months. Production now consists almost entirely of requirements of the armed forces, utility clothing, and limited export goods.

The yarn market was strong, with heavy demand for all counts and qualities.

Silk and Products**SERICULTURE SCHOOL, BULGARIA**

To insure the future of the Bulgarian silk industry, the Ministry of Agriculture plans to establish a school in Vratza, concerned primarily with instruction in the raising of silkworms, according to the Bulgarian press.

The school will have a separate section for boys and girls, and prefers students under 18 years of age. A 2-year course, will include all phases of the silk industry, from setting of the eggs, care

and processing of cocoons, to spinning and weaving.

All applications were to be submitted before September 15, and registration for the current school year was restricted to girls only.

Synthetic Fibers and Products**RAYON PRODUCTION, ECUADOR**

Ten textile mills in Ecuador are engaged in the production of rayon fabrics, both of the woven and knitted varieties.

Several of these mills operate retail stores and sell direct to consumers.

RAYON SITUATION IN U. K.

Demand for rayon yarn in the United Kingdom in August exceeded supplies, and orders have been placed for delivery up to the end of the year. Government orders have increased.

By careful distribution of yarn among consumers, it was found necessary to stop only very few licensed looms because of supply shortages.

Limited by coupon rationing of clothing, demand for rayon fabrics was about equal to supply. Low-priced rayon materials were not popular with consumers, because it was considered more advantageous to relinquish coupons for more durable fabrics. To remedy this situation, the Board of Trade is planning to reduce the coupon value of the cheaper woven fabrics and circular-knit lines.

Export demand for rayon goods was greater than could be supplied, as a result of the Government's policy of putting all exports on an allocation basis, and shipping only to selected markets.

Wool and Products**ARGENTINE EXPORTS**

In August, Argentina exported 15,264 bales of wool. During the preceding month 16,085 bales were exported, and in August 1942 16,964.

For the first 11 months of the wool year which began on October 1, 1942, ex-

ports of wool aggregated 163,637 bales, compared with 247,830 bales in the corresponding period of the preceding year.

Tobacco and Related Products**ARABIAN TOBACCO PRODUCTION**

Tobacco is one of the three important manufactures of Aden, Arabia. That grown in the eastern part of the Protectorate is put up in crude form and used principally in the native water pipe. The only exports of such tobacco which are of much importance go to the Yemen.

There is a small cigarette factory in Aden which manufactures Egyptian-type cigarettes, most of which are exported to India and Saudi Arabia.

Panama to Have New Cement Factory

The new cement company "Cemento Panama, S. A.," with a capital of a million and a half balboas, will reportedly set up a plant with a capacity of 3,000 sacks a day—which represents the present daily cement requirements of the Republic of Panama. The quarries have been investigated by technicians of the Canal Zone and pronounced first-class.

The requisite machinery has been purchased in the United States and, according to the local press, will shortly be shipped to Panama.

In the immediate past, Panama has bought large quantities of cement from Colombia.

A bridge, 1 mile in length, has been opened for traffic over the River Bio-Bio, in the Province of Concepcion, Chile, the foreign press reports. The approximate cost was 8,000,000 pesos.



Donets Basin

(Continued from p. 5)

The German Occupation

The German armies overran the Donets Basin in the summer of 1941, and have been in occupation since then, up till very recent days. As pointed out earlier, all industrial installations that could not be evacuated were destroyed or rendered inoperative for a long time by the retreating Russians. Careful checking of the German press since the invasion fails to disclose that the invaders have had any success of importance in restoring production in the mines or plants. A few trainloads of manganese ore were shipped to German steel plants; but coal output was insufficient to supply the Nazi army and the few small industrial units that had resumed production, and Silesian coal was imported to fill the gap.

German failure to take advantage of this "industrial paradise," now more important for its industrial products than for those of its extensive agriculture, was undoubtedly due to Russian recalcitrance, and the refusal of the workers, if they could escape to join the guerillas fighting in the forests, to work (except in the capacity of slaves deported to German factories). This spirit of resistance persisted in the face of 2 years of German suppression, and found expression in the past summer, when the Red Army reoccupied—it is hoped permanently—the Donets coal area, and is now driving the invaders steadily farther from the western boundary of the Basin, the Dnepr River.

Looking Forward

The Soviet press reflects this reoccupation, and looks forward to a period of intensive reconstruction, when the coal and iron riches of the Donets Basin will again become, in even greater measure than before, the greatest center of production in European U. S. S. R., turning out quantities of varied products for the needs of the country and its people.

Air-Freight Record in Canada

A Canadian air-freight record was made recently by Canadian Airways, part of the Canadian Pacific Air Lines, in transporting supplies and materials needed in the construction of the 1,000,000-horsepower Shipshaw power plant in northern Quebec, according to a foreign press report.

Eight airplanes, equipped with floats in summer and skis in winter, freighted 4,000 tons of equipment—including, besides men and provisions, four oxen and eight horses, a 20-foot, 1,600-pound motorboat, engines, compressors, a complete steam shovel, and electric generating plants.

To handle this, a special loading and fueling base was maintained at Beau-chene.

Latin American Exchange Rates

NOTE.—Averages are based on actual selling rates for sight drafts on New York, in units of foreign currency, per dollar with the following exception: Cuba—United States dollars to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to the dollar.]

Country	Unit quoted	Type of exchange	Annual average rate		Latest available quotation		
			1941	1942	Rate	Approximate equivalent in U. S. currency	Date, 1943
Argentina	Paper peso	Official A.	3.73	3.73	3.73	\$0.2681	Sept. 25
		Official B.	4.23	4.23	4.23	.2364	Do.
		Bid.	4.88	4.94	4.94	.2024	Do.
		Free market	4.24	4.20	4.00	.2500	Do.
Bolivia	Boliviano	Controlled	43.38	46.46	42.42	.0236	Oct. 2
		Curb	54.02	49.66	44.50	.0245	Do.
Brazil	Cruzeiro	Official	16.50	16.50	16.50	.0606	Sept. 1
		Free market	19.72	18.64	19.63	.0509	Do.
Chile	Peso	Special free market	20.68	20.52	20.30	.0493	Do.
		Curb	20.30				
		Official	19.37	19.37	19.37	.0510	Aug. 31
		Export draft	25.00	25.00	25.00	.0400	Do.
Colombia	do.	Curb market	31.78	31.75	31.10	.0323	Do.
		Free	31.15	31.13	31.00	.0323	Do.
		Gold exchange	31.15	31.13	31.00	.0323	Do.
		Mining dollar	31.35	31.13	31.00	.0323	Do.
Costa Rica	Colon	Agricultural dollar	31.15	31.13	31.00	.0323	Do.
		Controlled	1.75	1.75	1.75	.5714	Oct. 1
		Bank of Republic	1.76	1.76	1.76	.5682	Do.
		Stabilization Fund	(3)	(3)	(3)	(3)	Do.
Cuba	Peso	Curb	1.88	1.77	1.75	.5714	Do.
		Uncontrolled	5.85	5.71	5.63	.1776	Sept. 30
Ecuador	Sucre	Controlled	5.62	5.62	5.62	.1779	Do.
		Free	.08	1.00	1.00	1.0000	Sept. 25
Honduras	Lempira	Central Bank (official)	15.00	14.39	14.10	.0709	July 20
		Official	2.04	2.04	2.04	.4902	Sept. 1
Mexico	Peso	Free	4.86	4.85	4.85	.2082	Sept. 15
		Official	5.00	5.00	5.00	.2000	Oct. 2
Nicaragua	Cordoba	Curb	5.93		5.20	.1923	Do.
		Official		333.00	333.00	.0030	Sept. 30
Paraguay	Paper peso	Free	6.50	6.50	6.50	.1538	Sept. 25
		Official	2.50	2.50	2.50	.4000	Do.
Peru	Sol	Controlled	1.90	1.90	1.90	.5263	Oct. 2
		Free	2.31	1.90	1.90	.5263	Do.
Salvador	Colon	Controlled	3.26	3.35	3.35	.2985	Do.
		Free	3.76	3.45	3.36	.2985	Do.
Uruguay	Peso	Controlled					
		Free					
Venezuela	Bolivar	Controlled					
		Free					

¹ Under law of October 6, 1942, the cruzeiro became the unit of currency, replacing the milreis. Since November 1, 1942, exchange quotations have been in terms of cruzeiros and centavos to the dollar.

² Established March 25.

³ For class 2 merchandise, 1.795; class 3, 1.87; class 4, 1.95.

⁴ For class 2 merchandise, 1.765; class 3, 1.775; class 4, 1.785.

⁵ July 24-December 31.

NOTE.—Special rates apply to automotive equipment and agricultural machinery imported from the United States into Argentina.

Revision of Latin American Exchange Rate Table

The weekly table of Latin American Exchange Rates is being revised so as to include the latest available monthly averages in addition to the annual averages and latest available quotations. The table below shows the averages for the months January to August 1943, inclusive, which brings up to date averages hitherto published in FOREIGN COMMERCE WEEKLY. As averages for September and subsequent months become available, they will be shown in FOREIGN COMMERCE WEEKLY.

Latin American Exchange Rates: Monthly Averages, 1943

NOTE.—Averages are actual selling rates for sight drafts on New York, in units of foreign currency, per dollar, with the following exception: Cuba—United States dollars to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to the dollar.]

Country	Unit quoted	Type of exchange	January	February	March	April	May	June	July	August
Argentina	Paper peso	Official A.	3.73	3.73	3.73	3.73	3.73	3.73	3.73	3.73
		Official B.	4.23	4.23	4.23	4.23	4.23	4.23	4.23	4.23
		Bid.	4.94	4.94	4.94	4.94	4.94	4.94	4.94	4.94
		Free market	4.24	4.23	4.20	4.10	4.00	3.98	3.99	4.00
Bolivia	Boliviano	Controlled	46.46	44.27	42.42	42.42	42.42	42.42	42.42	42.42
		Curb	50.00	48.67	46.00	45.00	43.30	43.09	44.00	44.00
Brazil	Cruzeiro	Official	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50
		Free market	19.63	19.63	19.63	19.63	19.63	19.63	19.63	19.63
Chile	Peso	Special free market	20.50	20.50	20.50	20.50	20.50	20.50	20.50	20.50
		Official	19.37	19.37	19.37	19.37	19.37	19.37	19.37	19.37
		Export draft	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
		Curb market	34.16	33.55	33.51	33.00	30.97	31.48	31.88	31.26
Colombia	do.	Controlled	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00
		Free	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00
Costa Rica	Colon	Controlled	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
		Free	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76
Cuba	Peso	Controlled	1.88	1.77	1.75	1.75	1.75	1.75	1.75	1.75
		Uncontrolled	5.85	5.71	5.63	5.63	5.63	5.63	5.63	5.63
Ecuador	Sucre	Controlled	5.62	5.62	5.62	5.62	5.62	5.62	5.62	5.62
		Free	.08	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Honduras	Lempira	Central Bank (official)	15.00	14.39	14.10	14.10	14.10	14.10	14.10	14.10
		Official	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04
Mexico	Peso	Free	4.86	4.85	4.85	4.85	4.85	4.85	4.85	4.85
		Official	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Nicaragua	Cordoba	Curb	5.93		5.20					
		Official		333.00	333.00					
Paraguay	Paper peso	Free	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
		Official	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Peru	Sol	Controlled	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90
		Free	2.31	1.90	1.90	1.90	1.90	1.90	1.90	1.90
Salvador	Colon	Controlled	3.26	3.35	3.35	3.35	3.35	3.35	3.35	3.35
		Free	3.76	3.45	3.36					
Uruguay	Peso	Controlled								
		Free								
Venezuela	Bolivar	Controlled								
		Free								

Latin American Exchange Rates: Monthly Averages, 1943—Continued

Country	Unit quoted	Type of exchange	January	February	March	April	May	June	July	August
Chile	Peso	Mining dollar	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00
		Agricultural dollar	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00
Colombia	do	Controlled	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
		Bank of Republic	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76
		Stabilization fund	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
		Curb	1.77	1.77	1.77	1.77	1.77	1.75	1.75	1.75
Costa Rica	Colon	Uncontrolled	5.64	5.66	5.65	5.66	(2)	5.67	5.64	5.64
		Controlled	5.62	5.62	5.62	5.62	5.62	5.62	5.62	5.62
Cuba	Peso	Free	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Ecuador	Sucre	Central Bank (official)	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10
Honduras	Lempira	Official	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04
Mexico	Peso	Free	4.85	4.85	4.85	4.85	4.85	4.85	4.85	4.85
Nicaragua	Cordoba	Official	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
		Curb	5.05	5.00	5.00	5.01	5.11	5.26	5.24	5.26
Paraguay	Paper peso	Official	333.00	333.00	333.00	333.00	333.00	333.00	333.00	333.00
Peru	Sol	Free	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Salvador	Colon	do	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Uruguay	Peso	Controlled	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90
		Free	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90
Venezuela	Bolivar	Controlled	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
		Free	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35

¹ For class 2 merchandise, 1.765; class 3, 1.775; class 4, 1.785.

² Data not received.

Announcements Under the Reciprocal Trade Agreements Act

EXCHANGE OF PROCLAMATION AND RATIFICATION OF THE TRADE AGREEMENT WITH ICELAND

The President's proclamation of the reciprocal trade agreement between the United States and Iceland which was signed at Reykjavik on August 27, 1943, and the instrument of ratification of the Regent of Iceland of that agreement were exchanged in Washington at 2:30 p. m. on Wednesday, October 20, 1943, by the Honorable Edward R. Stettinius, Jr., Acting Secretary of State of the United States, and the Honorable Thor Thors, Minister of Iceland in Washington, according to State Department Press Release No. 441 of October 20, 1943.

Article XVII of the agreement provides that it shall enter into force on the thirtieth day following the exchange of the proclamation of the President of the United States for the instrument of ratification of the Regent of Iceland. Accordingly, the agreement will enter into force on November 19, 1943.

The English text of the agreement was made public in the State Department's press release No. 357 of August 27, 1943. An analysis of the agreement, prepared by the interdepartmental trade-agreements organization, was given in the State Department's press release No. 358 of August 27, 1943, and a statement concerning the President's proclamation of the agreement was made in its press release No. 413 of October 2, 1943.

Trade Agreement Calendar

Trade Agreements Signed

Country	Date signed	Date effective
Cuba	Aug. 24, 1934	Sept. 3, 1934
Belgium (and Luxembourg)	Feb. 27, 1935	May 1, 1935
Haiti	Mar. 28, 1935	June 3, 1935
Sweden	May 25, 1935	Aug. 5, 1935
Brazil	Feb. 2, 1935	Jan. 1, 1936
Canada (see revised agreement below)	Nov. 15, 1935	Do.
Kingdom of the Netherlands (Netherlands in Europe, Netherlands India, Surinam, and Curacao)	Dec. 20, 1935	Feb. 1, 1936
Switzerland	Jan. 9, 1936	Feb. 15, 1936
Honduras	Dec. 18, 1935	Mar. 2, 1936
Colombia	Sept. 13, 1935	May 20, 1936
Guatemala	Apr. 24, 1936	June 15, 1936
France and its colonies, dependencies, and protectorates other than Morocco	May 6, 1936	Do.
Nicaragua	Mar. 11, 1936	Oct. 1, 1936
Finland	May 18, 1936	Nov. 2, 1936
El Salvador	Feb. 19, 1937	May 31, 1937
Costa Rica	Nov. 28, 1936	Apr. 2, 1937
Czechoslovakia	Mar. 7, 1938	Apr. 16, 1938
Ecuador	Aug. 6, 1938	Oct. 23, 1938

¹ The duty concessions and certain other provisions of this agreement ceased to be in force as of Mar. 10, 1938.

² The operation of this agreement was suspended as of Apr. 22, 1939.

Trade Agreements Signed—Con.

Country	Date signed	Date effective
United Kingdom, including Newfoundland and the British Colonial Empire	Nov. 17, 1938	Jan. 1, 1939
Canada (revision of agreement of 1935)	do	Do.
Turkey	Apr. 1, 1939	May 5, 1939
Venezuela	Nov. 6, 1939	Dec. 16, 1939
Cuba (supplementary agreement)	Dec. 18, 1939	Dec. 23, 1939
Canada (supplementary agreement)	Dec. 30, 1939	Jan. 1, 1940
Canada (supplementary agreement)	Dec. 13, 1940	Dec. 20, 1940
Argentina	Oct. 14, 1941	Nov. 15, 1941
Cuba (supplementary agreement)	Dec. 23, 1941	Jan. 5, 1942
Peru	May 7, 1942	July 29, 1942
Uruguay	July 21, 1942	Jan. 1, 1943
Mexico	Dec. 23, 1942	Jan. 30, 1943
Iran	Apr. 8, 1943	(1)
Iceland	Aug. 27, 1943	Nov. 19, 1943

¹ Superseded by supplementary agreement signed Dec. 13, 1940.

² Thirty days after exchange of proclamation (by the President of the United States) and ratification (by the National Assembly of Iran).

Summaries of the provisions of each individual agreement are published in FOREIGN COMMERCE WEEKLY

promptly after signing. Complete files of the official analysis of each of the agreements, as well as the summaries published by this Department, are available for examination at all field offices of the Department of Commerce. Copies of such analyses or summaries for any particular agreement, figures for the United States trade with "Agreement Countries," and general information regarding the aims, procedure, and operation of the Reciprocal Trade Agreements Program may be obtained from the Trade Agreements Unit of the Bureau of Foreign and Domestic Commerce at Washington.

[A compilation of all changes in the import duties of the United States since the passage of the Tariff Act of 1930, including all duty reductions or bindings by the United States under the trade agreements signed to date, arranged by schedules and paragraphs of the Tariff Act has been prepared by the U. S. Tariff Commission in the form of a pamphlet. This is obtainable from the Superintendent of Documents, Washington, D. C., for 25 cents per copy.]

Countries With Which Intention To Negotiate Has Been Announced

Country	Date of issuance of notice	Latest date for submitting written statements	Date for oral presentation of views
Bolivia	Apr. 4, 1942	May 4, 1942	May 18, 1942
Paraguay	June 23, 1943	July 23, 1943	Aug. 4, 1943
Cuba	Oct. 19, 1943	Nov. 17, 1943	Nov. 24, 1943

[Detailed information, trade figures, and copies of the lists of products to which the United States announced it would give consideration for concessions, at the time of giving formal notice of intention to negotiate with each of the above countries, are available upon request to the Trade Agreements Unit, Bureau of Foreign and Domestic Commerce, or any of the field offices of the Department of Commerce, as well as from the Committee for Reciprocity Information or the Department of State.]

NOTE.—The above Trade Agreements Calendar will appear, for the present, in the issue nearest the middle of the month of FOREIGN COMMERCE WEEKLY, instead of each week as formerly.

Brazil Establishes New Administrative Units

By the terms of a Presidential decree effective October 1, Brazilian State and municipal lands in territories bordering on the Guianas, Venezuela, Bolivia, Paraguay, and Argentina pass over to the Federal dominion, their administration being regulated by special law.

Various new territories will thus be formed: Amapa will have its northwest boundary joining French Guiana and Dutch Guiana; Rio Branco will be bounded northeast, north, and northwest by British Guiana and Venezuela; Guapore will be bounded south and southwest by Bolivia; Pontapora will be bounded south and southwest by Paraguay and west and northwest by the Paraguay River; and Iguassu will be bounded to the south by the Uruguay River and southwest, west, and northwest by the Argentine-Paraguay international line. (Note: The foregoing information has been furnished by the Office of the Coordinator of Inter-American Affairs.)

Habana's new Goodrich Tire Factory, started in 1940, has recently been completed, says the Cuban press. This plant will employ 200 workers and turn out automobile and truck tires as well as other products of rubber. The plant is at Puentes Grandes, a suburb of Habana.

Trade Mark Applications

Uruguay.—The following applications for trade-mark registration were published in the Diario Oficial de Montevideo, on the dates noted. Opposition must be filed within 30 days from the date of publication:

Trade-mark	Product	Date of publication
Golf.....	Perfumery and toilet.	Sept. 27 to Oct. 2, 1943
Francis D'Artois.....	Hardware and bazaar, furniture, carpets, oilcloths, tapestry, etc., toys.	Do.
Santa Maria.....	Soap, candles, and matches.	Do.
Kreesevold.....	Textiles, dry goods, ready-to-wears, etc., millinery.	Do.
Co-Fer-Vit.....	Drug store and chemical products.	Do.
Ronda.....	Groceries, foodstuffs.	Do.
Vivax.....	Perfumery and toilet.	Do.
Cidram.....	Drug store and chemical products, perfumery and toilet articles.	Do.
Iyapu.....	Drug store and chemical products.	Do.
Patricia.....	Beverages.	Oct. 4 to 9, 1943
Mistral.....	Jewelry, watches, and clocks.	Do.
Resyl.....	Drug store and chemical products.	Do.
Radical.....	Boots, shoes, leather goods.	Do.
Vivred.....	Perfumery and toilet.	Do.

Brazil.—The following applications for trade-mark registration were published on dates indicated in the Official Gazette of Brazil. Opposition must be filed within 60 days from the date of publication:

Trade-mark	Class number and product	Date of publication
Impermeil.....	No. 1—Chemicals.	Aug. 31, 1943
Frico.....	No. 8—Radios and electrical apparatus.	Do.
Teonofron.....	No. 3—Pharmaceutical products.	Do.
Zenith.....	No. 14—Articles of blown glass.	Sept. 1, 1943
Sterillex.....	No. 48—Perfumery.	Aug. 31, 1943
Belmond.....	No. 2—Chemical products for veterinary purposes.	Sept. 1, 1943
Lintmex.....	No. 48—Perfumery.	Do.
Old Maryland.....	No. 36—Shoe wear.	Do.
Life.....	No. 44—Cigarettes.	Do.
Cleveland.....	No. 48—Perfumery.	Sept. 3, 1943
Tixan.....	No. 1—Chemical products.	Do.
Relampo.....	No. 55—Floor polishes.	Do.
Gigante.....	No. 52—Animal and vegetable substances, not specified.	Do.
Neutrogas.....	No. 6—Hoisting equipment.	Do.
Ovocalcine.....	No. 10—Producer-gas accessory.	Do.
Lincoln.....	No. 3—Pharmaceutical product.	Do.
Minerva.....	No. 31—A nutritive product.	Do.
Royal.....	No. 8—Precision and scientific instruments.	Do.
Ultralux.....	No. 3—Pharmaceutical product.	Do.
	No. 32—Cloths.	Do.
	No. 8—Equipment for luminous signs and projectors.	Do.

Trade-mark	Class number and product	Date of publication
Sulfa-Filn.....	No. 3—Pharmaceutical product.	Sept. 3, 1943
Primus.....	No. 10—Instruments, apparatus, and contrivances for surgical or curative purposes.	Sept. 6, 1943

Chile.—The following applications for trade-mark registration were published in the Diario Oficial de Santiago. Opposition must be filed within 30 days from the date of publication:

Trade-mark	Class number and product	Date of publication
Simosan.....	No. 8—Tree and vegetable products.	Oct. 1, 1943
Smclair Refining Company, H. C., Tenol.....	No. 19—Lubricating oils and greases and oils for painting.	Do.
Bambi, Sporting Stepper, Liberty, Wendy Wounio.....	No. 47—Clothing.	Do.
Roxy.....	No. 50—Footwear.	Do.
Tops.....	No. 56—Toilet articles.	Do.
Sheridan, Tops.....	No. 57—Perfumed products and toiletries.	Do.
Iris.....	No. 59—Edible fats.	Do.
V-8.....	No. 60—Milk and milk products.	Do.
Bambi, Marjorie.....	No. 68—Bread, pastry, confections, syrups, etc.	Do.
Suavitex, Solbril, D. O. C. A., Lativa, Sulfa-metazina, Ingra, Yodenina, Vioban, Yodasol, Agrecolina, Entozon, Esurdina, Berroleno, Nemural, Neumoserina, Murnil, Yatren Cassina, Yatren E 104, Skat, Prover, Pro-Zoo, Alpinas, Licor Verdu, Cremogen, Antiphlogistine, America, Dionina, Fosalan, Fosaluz, Otogenol, Otolisan, Otogenin, Otovisin, Pentilina, Pentitua, Otolasin, Pecto Cervai, Lapresin, Polisulan Plantacor Niacinil, Niacinil, Pepto-Bismol, P. D.	No. 72—Sporting apparatus and articles, games, and toys.	Do.
American Film.....	No. 75—Chemical and pharmaceutical products.	Do.
	No. 79—Apparatus and utensils for cinematography and photography, sensitized papers, etc.	Do.

Panama.—The following applications for trade-mark registrations were published in the Gaceta Oficial on the dates noted. Opposition must be made within 90 days from the date of publication:

Trade-mark	Commodity	Publication date
Royal Lodge.....	Dry gin.	Oct. 5, 1943
Conac Tres Plumas.....	Beverages in general, nonmedicinal, alcoholic or nonalcoholic.	Do.

Imports of iron and steel sheets into India in 1942-43 (March 1 to April 30) decreased in value to 6,401,000 rupees from the 10,364,000 rupees reported in 1941-42, the foreign press states.

Trolleybuses in Biel, Switzerland, have been equipped with loud speakers for the use of the conductors in giving out information and announcing stops, states a European transport journal.



U. S. Export Control and Related Announcements

Developments communicated to the Trade Controls Unit up to Tuesday, October 26, 1943:

No. 495—Current Export Bulletin No. 128

The Office of Exports has issued Current Export Bulletin No. 128 covering the following subjects:

I. Controlled Materials Plan—Fourth Quarter, 1943

A. GENERAL

a. The purpose of this announcement is to explain export procedures of the Office of Economic Warfare under the Controlled Materials Plan in the fourth quarter, 1943.

b. Except as indicated herein, exporters should continue to follow the procedures set forth in Comprehensive Export Schedule Number 12 (Section II, chapter 6, page 125). SP (Special) license holders should note the procedure for projects and foreign enterprise MRO and Production Requirement Programs outlined in Section II, chapter 7, page 129.

B. INCREASES AND DECREASES OF ALLOTMENTS FOR CLASS A PRODUCTS

a. Exporters requesting an increase in a previous allotment, must apply on the revised form, CMP-4A, dated June 21, 1943, by indicating that they are making request for increase by appropriate check-mark in section 3a of this form.

b. Where such requests are granted by the Office of Economic Warfare, increased allotments will be granted on WFB form CMPL-200. Increases in allotments to secondary consumers should be made on WFB form CMPL-200A.

c. In cases where it becomes necessary for the Office of Economic Warfare to reduce an allotment already granted, such decrease will be made on WFB form CMPL-201. Decreases in allotments to secondary consumers should be made on CMPL-201A.

d. Whenever an exporter requests an increase in a previous allotment from OEW, he should attach to his application a written explanation indicating why such increase is requested.

C. RETURN OF ALLOTMENTS

a. In all instances where it becomes necessary for the Office of Economic Warfare to cancel an allotment already granted, or where an exporter is unable to use an allotment (or portion of an allotment) granted by OEW, the return of unused allotment of controlled materials should be made by exporters on WFB form CMP-32, entitled "Consumers Return of Allotments," dated July 28, 1943; the exporter must also specify the license number, country of destination, and commodity description. Such returns should be made direct to OEW where the original allotment was obtained from this Agency. Otherwise, the allotment should be returned to the person from whom it was received. See, however, Direction 26 to CMP Regulation No. 1 which provides as follows: "In those cases where it is impractical for a secondary consumer to return an allotment to the person from whom he received it, he may make the return directly to the Claimant Agency whose symbol appears on the allotment * * *." "This situation may occur where a secondary consumer produces the same product for a relatively large number of customers whose schedules are all identified by the same abbreviated allotment number * * *."

b. Exporters are advised that paragraph (1) on page 4 of CMP Regulation 1 (amended

October 4, 1943), sets forth the method of cancelling or reducing allotments. Under that provision, if an allotment received by a person is canceled, he must cancel all allotments which he has made and all authorized controlled material orders he has placed on the basis of the allotment; and if an allotment received by a person is reduced, he must cancel or reduce allotments which he has placed to the extent that the same exceed his allotments as reduced. Paragraph (w) on page 9 of this Regulation relates to adjustments in allotments where requirements change. Under this provision, if a consumer's requirements for controlled materials or Class A products are increased after he receives his allotment, he should apply for an additional allotment from the person who made the same. If his requirements decrease, for any reason, he shall promptly cancel or reduce his allotment.

D. STEEL, COPPER, AND COPPER BASE ALLOYS—DELIVERY DATES

a. CMP Regulation 1, as amended October 4, 1943, provides that a controlled materials producer "may make delivery during the 15 days prior to the requested delivery month, but not before then * * *". If a producer, after accepting an order * * * finds that, due to contingencies which he could not reasonably have foreseen, he is obliged to postpone the delivery date, he must promptly advise his customer of the approximate date when delivery can be scheduled, and keep his customer advised of any changes in that date. Delivery of any such carry-over order for steel or copper must be scheduled and made in preference to any order for similar material originally scheduled for a later month * * *. When the new date for delivery on a carry-over order falls within a later quarter than that indicated on the original order, the producer must make delivery on the basis of the original order even if that order shows that the allotment was valid for a quarter earlier than the one in which delivery is actually to be made * * *."

"If a producer is unable to accept an order for the month requested * * *, but has open space available in either of the two following months, the producer must accept and schedule the order for delivery as early as possible in either of the two following months and must promptly notify the customer of the proposed delivery date and tell him that the order has been accepted subject to written confirmation within seven days. If the customer does not have written confirmation of the new delivery date in the producer's hands within seven days after the date on which the notice of tentative acceptance was sent, the producer must cancel the order. If the new delivery date falls within a later quarter than that shown on the original authorized controlled material order the confirmation has no effect unless it is accompanied by the customer's certification that he has an allotment valid for the new quarter, in which case the customer must charge the order against that allotment."

b. Two Directions have been issued by the War Production Board under which steel producers, brass mills, copper wire mills, and copper and copper-base alloy foundries may accept orders for such controlled materials bearing the allotment number of the Office of Economic Warfare even though the date and point of delivery are not specified, provided that such orders are complete in all other details. Direction No. 20 to CMP Regulation 1, dated July 5, 1943, relates to steel producers. Direction 29 to CMP Regulation 1, dated September 13, 1943, relates to brass

mills, copper wire mills, and copper and copper-base alloy foundries.

E. SHIPS OF FRIENDLY FOREIGN NATIONS—MRO

A. Under Direction 6 to CMP Regulation 5, dated June 21, 1943, two provisions of importance to exporters appear:

(1) Persons operating ships under the flags of United Nations may obtain maintenance, repair, and operating supplies essential for the operating of such ships under CMP Regulation 5.

(2) Persons operating ships under flags of neutral nations, not United Nations, may have the same privilege if, but only if, the purchase order to which a preference rating or MRO symbol is applied is countersigned by a representative of the War Shipping Administration.

F. CMP INQUIRIES

Information, forms, and publications with respect to CMP may be obtained from War Production Board field offices or main office in Washington, D. C.

Inquiries relating specifically to export problems should be addressed to Exporters' Service Division, Office of Exports, Office of Economic Warfare, Washington 25, D. C., and headed "CMP Inquiry." ("CMP Inquiry—SP License" in the case of projects or foreign enterprise MRO and production requirement programs.)

II. Exportations of Distressed and Used Materials Without Import Recommendations

A. The Office of Economic Warfare will accept and consider license applications to export any distressed materials, except copper and aluminum products, without an accompanying import recommendation provided the exportation is in the interest of the war effort, and the economy of the country of destination. If licensed, such shipments will not be charged against the OEW allocation to the country of destination. Distressed materials within the scope of this Bulletin include only:

(a) Materials produced for export sale which have become distressed.

(d) Idle and excess distressed inventories. In the case of steel, such idle and distressed inventories must be listed by the Steel Recovery Branch, War Production Board, as distressed.

(c) Stocks vested by Alien Property Custodian.

B. Steel mill accumulations, including over-runs of prime material, re-rolled rails and re-rolled rail products, and second grade material of whatever kind, sold by steel producers to the exporter are not distressed materials within the meaning of this Bulletin. The Steel Recovery Branch of the War Production Board, 5635 Baum Boulevard, Pittsburgh, Pennsylvania, must approve all exports of steel licensed as distressed steel. Clearance with the Steel Recovery Branch of the War Production Board may be made by the exporter, whereupon the Steel Recovery Branch may release and reserve such distressed steel to the exporter while his export license application is pending in the Office of Exports.

C. The Office of Economic Warfare will accept and consider license applications to export second-hand iron and steel and used machinery and equipment, except used machinery and equipment for which a specific allocation has been made (such as used typewriters and used laundry machinery), without an accompanying import recommendation, provided the exportation is in the interest of the war effort, and the economy of the country of destination. If licensed, such shipments will not be charged against the OEW allocation to the country of destination.

D. Where the commodities proposed to be exported fall within the above categories exporters shall state on the license application (under question 11 on OEW 119 or under question 8 on BEW 168) that the commodities are "distressed," or "used" as the case may be. Although no Import Recommendation need be submitted with license appli-

cations for such commodities, the license application will be expedited if an Import Recommendation is submitted covering the shipment.

E. Exporters are cautioned to use due prudence in making commitments for commodities which may be classified as distressed or used, because such critical materials may be subject to import regulations in the country of destination and because licensing of such commodities will be strictly on the basis of importance to the war effort, and the economy of the country of destination. The port of entry in the country of destination should be specified in the application for license to export such distressed and used materials.

III. Cotton and Rayon Fabrics and Fabricated Goods Under Allocation

A. COTTON FABRICATED GOODS

Export license applications covering cotton commodities manufactured from cotton woven fabrics must give, in addition to the quantity, description and Department of Commerce Schedule B number of the article, the name of the material used, and the quantity in square yards. Fabricated commodities for which this additional information is required are those coming within the Schedule B classifications 3090.00, 2113.05 thru 3129.00, 3171.00 thru 3178.00, 3187.00 thru 3189.00 and 3199.00.

Example: 100 women's dresses (Schedule B 3122.00) 350 sq. yards print cloth.

B. RAYON FABRICS AND FABRICATED GOODS

Where weight is not the unit of measure specified for a Schedule B classification within which certain rayon fabrics and rayon fabricated goods are included, the net weight of the exportation must be entered on the license application in addition to the unit of measure specified in Schedule B. The following Schedule B numbers, 3845.01, 3849.31, 3849.51, 3849.61, 3849.71, 3852.00, 3853.10, and 3853.20, cover the allocated rayon products that must also show the net weight of the rayon in addition to the Department of Commerce unit of measure.

IV. South Pacific Program License No. BSP-1 Authorizing Exportations to British Oceania (Excluding New Hebrides)

A. THE PROGRAM

Effective October 15, 1943, a program license has been issued to the British Colonies Supply Mission, authorizing the exportation to British Oceania (excluding New Hebrides) of specific kinds and quantities of commodities for specified end-uses. The destinations included in this program are: Fiji Islands (including Rotuma), British Solomon Islands, Gilbert and Ellice Islands, Pitcairn Island, Tonga or Friendly Island, and Santa Cruz Islands. Effective October 15, 1943, these destinations have been deleted from the program license for British Empire Destinations and exportations to these destinations made subsequent to that date are to be made under this program. New Hebrides is not included in the program for British Oceania but is included in the program issued for French possessions in the South Pacific.

B. REVOCATION OF CERTAIN GENERAL AND UNLIMITED LICENSES

The revocation of certain general and unlimited licenses applicable to the destinations covered by this program was announced in Current Export Bulletins Nos. 89 and 103 (Announcements 455 and 470 in FOREIGN COMMERCE WEEKLY for April 17 and July 10, 1943, respectively). Certain General Licenses which continue in effect are as follows:

- | | |
|--|-----|
| (a) General Intransit Licenses..... | GIT |
| (b) General License..... | GUS |
| (c) General license for shipments valued at \$25 or less or at \$1 or less as the case may be..... | GLV |
| (d) Personal Baggage..... | |
| (e) Ship stores, fuel and supplies..... | |
| (f) Plane stores, fuel and supplies..... | |
| (g) Return of empty containers..... | GEC |

- | | |
|---|-------|
| (h) Technical data..... | |
| (i) Newspapers and publications..... | G-PUB |
| (j) Metal drums and containers..... | |
| (k) Photographic films, plates and paper..... | GPF |

C. RELEASE CERTIFICATES UNDER BRITISH PROGRAM LICENSE

Release certificates covering exports to these destinations issued prior to October 15, 1943, under the British Program License will remain valid until their expiration dates. Release certificate applications covering exportations to these destinations, pending on October 15, 1943, will be considered as applications for export under the British Program License No. BE-1. Applications for release certificates under the British Program License No. BE-1 covering exportations to these destinations, submitted after October 15, 1943 will be returned without action and exporters should resubmit in accordance with the provisions of the program.

D. PROCEDURES FOR EXPORTATIONS UNDER PROGRAM LICENSE

1. All exportations to these destinations will be authorized by the issuance of release certificates by the Office of Exports. However, individual export licenses will be issued in the following cases: "SP" licenses, licenses for Ship Stores and Bunker Fuel, licenses for Technical Data. Release certificates issued pursuant to the program will remain valid for one year from date of issuance. Exporters desiring to export commodities to any of these destinations will prepare all applications for release certificates on form OEW-119 until a new form has been made available. The form OEW-119 should be submitted in triplicate unless a preference rating or other WFB release or assistance is required. In such cases, the quadruplicate copy should also be submitted. An acknowledgment card (OEW-116) should accompany each application for a release certificate.

2. Applications for release certificates under this program should be mailed directly to the British Colonies Supply Mission, Post Office Box 680, Benjamin Franklin Station, Washington 4, D. C. The location of the British Colonies Supply Mission is Room 706, McGill Building, 908 G Street NW., Washington, D. C. After examination by the British Colonies Supply Mission, these applications will be forwarded by it to the Office of Ex-

ports, Office of Economic Warfare, Washington 25, D. C., for final consideration.

3. Exportation under this program may not be made with the knowledge or intention that the commodity exported thereunder is to be reexported from the country of destination unless the reexportation has been authorized by the Office of Exports. Such re-exportations are authorized, however, when made solely between the destinations included in this program.

E. APPEALS

Exporters whose application for a release certificate or for an extension thereof has been rejected, or whose release certificate has been revoked, may appeal from such rejection or revocation by filing an appeal with the Office of Exports, Office of Economic Warfare, Washington 25, D. C. In filing an appeal, the same procedure shall be followed as is presently in effect for appeal from rejected license applications (Comprehensive Export Schedule No. 12).

V. General Licenses for Shipments of Limited Value (GLV)

A. The provisions of paragraph d under Title E, page 86, Comprehensive Export Schedule No. 12, pertaining to general licenses for shipments of limited value (GLV) have been rescinded.

B. Title F, page 86, is amended to read: "General License for Medicinals and Pharmaceuticals (GLV) Special Provisions."

C. Shipments made under these general licenses, however, must not exceed the net value (\$1, \$25, or \$100) as set forth under titles E and F of Comprehensive Export Schedule No. 12, pages 84-86 (see also Title 9, paragraph B, page 130). "Net value" is redefined to mean "the actual selling price less shipping charges or the domestic market price at the time and place of shipment, whichever is the larger." "Single shipment" as used has been defined to mean "all commodities classified under a single Schedule B number which move at the same time from one exporter to one importer on the same exporting carrier."

VI. Clarification of Extended Use of Form BEW 151.

A. Applications must be made on form BEW 151 for individual licenses to export maintenance, repair parts, engines, and all operating equipment, including medicinals, surgical supplies, and deck stores, which are to be discharged at a foreign port of installation on or use of a specifically identified ship, except in the following cases:

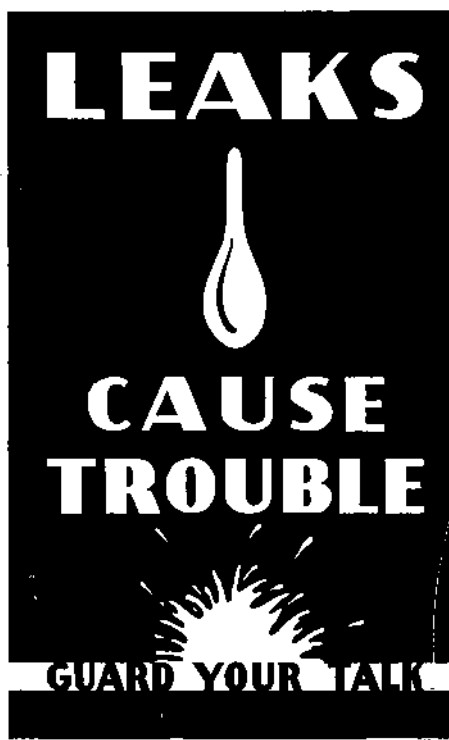
1. If such materials are for stock purposes and not for a specifically identified ship applications must be filed on form OEW-119.

2. Export license applications for supplies for ships of Newfoundland registry must be filed on form OEW-119.

3. Export license applications for Marine Diesel Engines of 50 H. P. or less whether intended for use on a specific vessel or not, must be filed on OEW-119. (See Comprehensive Export Schedule No. 12, page 115, paragraph B, of item 7 for special provisions on Marine Diesel Engines.)

B. When a BEW 151 is submitted for maintenance, repair, and operation materials to be loaded as cargo on an exporting vessel destined to any of twenty other American Republics, except Mexico, for use in accordance with the procedure outlined in part A above, it must be accompanied by a statement of cargo availability on form OEW-138, except when the weight is less than 2,240 pounds. Acknowledgment cards, BEW-178 for application forms BEW-151 and OEW-138 together, and OEW-116 for application form BEW-151 alone, must accompany all requests.

C. Where the use of form BEW-151 is applicable to commodities which are not to be used by the exporting vessel, the first five copies of the application, including the quadruplicate marked for the Collectors of Customs, must be submitted to the Bunkers and Ship Stores Division of the Office of Exports. It will not be necessary to submit the quadruplicate copy to the Collectors of Customs



If this request is not complied with, the application will be returned without action.

D. When application is made on form BEW-151 to export maintenance, repair, and operation materials which are to be discharged at a foreign port for installation on or use of a specifically identified ship, the applicant shall supply the answers to the following numbered questions on the form: 1 through 7, 17, 24 through 28.

E. Applicants requiring War Production Board assistance in the form of a preference rating should request on the application that the license be stamped valid for six months instead of the sixty days provided for in the application. The application shall also state "Supply assistance required", and the proper WPB forms should be attached.

VII. Use of Form OEW-138 for Project License Shipments

Holders of Project Licenses for shipments to the Latin-American Republics have been filing with the Office of Exports statements of cargo availability (OEW-138) covering a multitude of items which become available for shipment at widely varying times.

As a result, a great amount of unnecessary work is caused both the licensees and the Cargo Clearance Division of the War Shipping Administration in making up and validating so-called "short forms" to cover the movement of parts of the total quantity included in any one OEW-138.

Licensees are urged, therefore, to file OEW-138's with the Office of Exports listing only items which may be reasonably expected to be ready for shipment at one time.

No. 38—Amendment to General Imports Order M-63, Making Specified Changes in List III.

Effective October 25, 1943, the War Production Board has issued an Amendment to General Imports Order M-63 as amended September 23, 1943, making the following changes in List III of the materials subject to the Order (Schedule A Commerce Import Class Numbers in parentheses):

Added to List III.—Rice: Paddy (1051.000); uncleaned or brown rice (1051.100); cleaned or milled rice (1053.000); patna rice, cleaned, for use in canned soups (1054.000); rice meal, flour, polish, and bran (1054.100); cornstarch (2815.000).

Removed from List III.—Gum arabic or senegal (Acacia gum) (2161.000); gum ghatti (N. S. C.); gum kadaya (kaya) and talka (2163.000); gum tragacanth (2162.000); ouricury (uricury) wax (2252.300).

The governing date for the newly added materials is October 25, 1943. As of that date importation of these commodities may be made only under written authorization of the War Production Board for which application must be filed in duplicate on Form WPB-1041 (formerly PD-222-c). However, shipments of the materials in transit to a point within the continental United States on the governing date do not require authorization.

Despite recent legislation in New Zealand which provides free prescriptions under a social-security system, well-known, established proprietary-medicine lines are not only enjoying the usual amount of business but in many cases have even increased their sales, say recent reports.

New Books and Reports

★ The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. *Please note:* The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Current Interest Appearing in the Department of State Bulletin October 16, 1943

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., for the price of 10 cents each; subscription price \$2.75 a year. The October 16 issue contains these articles:

DECLARATION OF WAR BY ITALY AGAINST GERMANY:

Message of Marshal Badoglio to General Eisenhower.

Proclamation by Marshal Badoglio.

Joint Statement by the President of the United States, the Prime Minister of Great Britain, and the Premier of the Soviet Union.

MESSAGE OF THE PRESIDENT TO THE CONGRESS FAVORING REPEAL OF THE CHINESE EXCLUSION LAWS.

EXCHANGE OF AMERICAN AND JAPANESE NATIONALS.

ADDRESS BY ASSISTANT SECRETARY BERLE BEFORE THE ITALIAN-AMERICAN LABOR COUNCIL.

ADDRESS BY FRANCIS B. SAYRE BEFORE THE CHICAGO SUN EVENING CLUB.

FACILITIES IN THE AZORES MADE AVAILABLE TO GREAT BRITAIN BY PORTUGAL.

THE PROCLAIMED LIST: REVISION VI.

NATIONAL ANNIVERSARY OF CHINA AND INAUGURATION OF CHIANG KAI-SHEK AS PRESIDENT OF CHINA.

SUSPENSION BY ARGENTINA OF THE PUBLICATION OF JEWISH NEWSPAPERS.

VISIT TO THE UNITED STATES OF THE PRESIDENT OF HAITI.

DEVELOPMENT OF INTERNATIONAL AIR TRANSPORTATION SERVICES.

Other Publications

THE WEST INDIES YEAR BOOK, 1943. Thomas Skinner & Co., Ltd. 1943. 16th ed. 456 pp. Illus. Price, \$3.50. Covers, in addition to the British West Indies, other British colonies such as Bermuda, British Guiana, and British Honduras, as well as Curaçao (Netherlands) and the United States Virgin Islands, Puerto Rico, Cuba, and the Dominican Republic. Includes a large map in color of the Caribbean area, and 13 maps of the various colonies and territories dealt with. Gives for each colony

particulars of its constitution and administration, financial position, agricultural and other resources, industries, trade, communications, postal and cable rates, and other pertinent facts. Contains also information on banking, commerce, customs tariffs and regulations, import licenses, as well as particulars of the rules and regulations governing the granting of British preference. The British, Canadian, and United States export sections have been revised and enlarged in this edition; and the professional and business directories, pertaining to each colony, to which have been added in several instances a list of the leading estate owners, should prove of special value. Thumb-indexed by colony or territory.

Available from: Thomas Skinner & Co. (Publishers) Ltd., 1 Broadway, New York 4, N. Y.

THE UNITED STATES AND ITS PLACE IN WORLD AFFAIRS, 1918-43. Allan Nevins and Louis M. Hacker (editors). 1943. 622 pp. Price, \$3.25. Surveys the broad field of American and world affairs from World War I onward. Attempts to interpret the history of this period according to its significance to the American people, but not in a nationalistic or parochial spirit. Covers the global consequences of World War I, political, economic, social, and moral; the post-war revolutions in Europe and Asia; the rise of new national states on these continents; the temporary popularity of democratic ideas in countries previously closed to them; the establishment of powerful dictatorships in Russia, Poland, Italy, Germany, and lesser nations; the initial progress of the world toward recovery and stability; the hopeful growth of the League of Nations; the advent of economic disaster, moral disillusionment, and political despair; the present war; and many other aspects. Concludes with a summary of problems, policies, and perplexities likely to arise in the post-war era.

Available from: D. C. Heath & Co., 285 Columbus Avenue, Boston, Mass.

PETROLEUM REGISTER, 1943. Palmer Publications, 1943. 23rd annual ed. 911 pp. Price, \$10. The yearly directory and register of active oil companies of the world. Gives the history, capital and corporate structure, affiliations and subsidiaries, directorate and personnel, concessions and properties, manufacturing facilities, transportation, distribution, and other pertinent information dealing with the world's oil companies and individual operators. Contains also a buyers' guide, advertisers' index, and general index.

Available from: Palmer Publications, 412 West Sixth Street, Los Angeles 14, Calif.

THE FUTURE ECONOMIC POLICY OF THE UNITED STATES. William Adams Brown, Jr. 1943. America Looks Ahead Series No. 8. 101 pp. Price, 50 cents. Analyzes the questions facing the United States after the war: Can we furnish jobs for all who want to work and security in old age and illness? Or will the aftermath bring a sudden boom and world-wide depression? Shall we pre-

serve the free-enterprise system or "continue toward collectivism? Shall we go in for nationalism or isolation in our trade policies or take the lead for a prosperous world economy? The author sees the course we choose as not only determining what will be done at home, but also as significantly shaping the destiny of the rest of the world.

Available from: World Peace Foundation, 40 Mount Vernon Street, Boston 8, Mass.

BRITISH WORKERS IN THE WAR. J. Kuczynski and M. Heinemann. 1943. 64 pp. Price, 20 cents. Describes the contribution made by British workers in the war, in an effort to encourage international trade-union unity. Discusses mobilization of manpower; wages, purchasing power, and living standards; health and production; labor relations; and trade unions and the war.

Available from: International Publishers, 381 Fourth Avenue, New York, N. Y.

SILK RAISING IN COLONIAL MEXICO. Woodrow Borah. 1943. 177 pp. Illus. Price, \$2. Presents a study of the industry in Mexico, its origin, geographical extension, systems of labor and management, technical processes, adjustments to peculiarly Mexican conditions, and reasons for its disappearance.

Available from: University of California Press Berkeley, Calif.

Hazards of "Flying Rubber" in Amazon Jungles

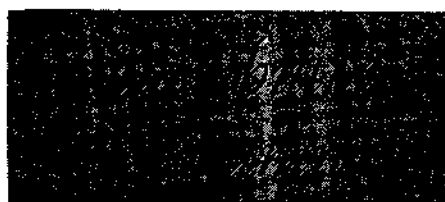
Hundreds of tons of wild rubber are being flown monthly from South America to the United States by adventurous and intrepid men who brave head-hunters, tropical disease, and blind flying with perfect equanimity.

The graphic story of the flight personnel for the Rubber Development Corporation in the jungle regions of the Amazon Valley, was recently unfolded by Capt. Jack Knight, chief pilot, who is a veteran of 19,000 flying hours.

A fleet of 12 planes, most of them Catalina boats, said Captain Knight, are used in the pioneer work of locating the rubber fields. Workers and supplies are landed, and the planes keep contact with the parties, bringing additional supplies and leaving with the precious cargo. As much as 6 tons of rubber can be transported in one Catalina, in addition to fuel and crew, Captain Knight said.

From the Rio Negro and Manaos, said Captain Knight, exploration and work parties fan out by air into the impenetrable forests of unmapped regions. No radio set-ups exist in those areas to guide pilots in "on the beam," and navigation is accomplished by dead reckoning.

He described an encounter with a pair of head-hunters in the jungle, brandishing a mahogany blow-pipe that shot poison-tipped arrows reputed to kill in 18 seconds. Captain Knight said he grabbed a flashlight and focused the beam on the two savages, who promptly fled in panic.



Joseph H. Barkmeier (co-author "Subsidies in British and Canadian Price Control").—A. B., Creighton University, June 1922; M. S., Foreign Service School of Georgetown University, June 1926; LL. B., Columbus University, June 1936; admitted to District of Columbia Bar October 1936. Entered the Bureau of Foreign and Domestic Commerce on December 16, 1926. As a member of the former Commercial Laws Division specialized in foreign commercial laws and taxation. Author of "Trading Under the Laws of Canada" and contributor of articles on foreign taxation for Bureau publications. Since April 1941, economic analyst and legal adviser in the British Empire Unit.

Winifred R. Maroney (co-author "Subsidies in British and Canadian Price Control") is a country analyst specializing in Canadian economic affairs and is now Chief of the Canadian Section of the British Empire Unit. She is the author of numerous studies and articles on the Canadian economy.

Illarion G. Matveev ("The Kuriles").—Born in Kiev, Russia. Graduate of Kiev Gymnasium and Military School. Commissioned as Second Lieutenant in Russian forces in 1917. University of the Far East, Vladivostok, Division of Oriental Studies, LL. B., 1922. Stanford University, B. A. in Economics, 1931. University of California, M. A. in Political Science, 1937. Mr. Matveev has traveled widely through the Far East, including Siberia, China, Mongolia, Manchuria, and Japan. His chief interest lies in political and economic relationships of the Pacific powers in respect to Manchuria, Mongolia, and the Russian Far East. The writer joined the staff of the Far Eastern Unit, Bureau of Foreign and Domestic Commerce, last spring.

Ernest C. Ropes ("Donets Basin").—Born September 2, 1877, in Brooklyn, N. Y. Educated in private schools in St. Petersburg, Russia, and Brooklyn, N. Y. B. A., Columbia College, New York City, 1898. Before entering Government service engaged in publishing and bookselling, the paper and pulp business, and stocks and bonds. From 1919 to 1922, Y. M. C. A. secretary in North Russia and Estonia. Entered the Bureau of Foreign and Domestic Commerce in 1923. Became Russian specialist in 1925 and has continued in that capacity to date, except for an ab-

News by COUNTRIES

(Continued from p. 23)

Principal Items [of the 1941-42 to 1943-44 Budgets]

(In thousand bolivares)

Item	1941-42	1942-43	1943-44
Principal revenues:			
Import duties	82,000	82,000	70,315
Petroleum and mines	100,000	70,000	106,812
Tax on consumption of petroleum derivatives	(1)	18,000	22,000
Cigarette tax	25,650	24,720	25,000
Liquor tax	22,000	25,000	27,200
Stamp tax	20,400	21,500	21,500
Income tax	(2)	(3)	10,000
Consular fees	7,600	7,800	5,350
Salt revenues	5,001	4,720	4,800
Other revenues	40,785	43,033	23,556
Loan proceeds		24,675	31,508
Total	303,535	320,248	348,501
Expenditures by Departments:			
Interior Relations	85,772	85,784	74,904
Foreign Relations	5,276	5,280	5,565
Finance	24,633	26,776	27,147
War and Navy	35,028	39,188	37,875
Development	5,368	8,229	7,470
Public Works	38,196	80,498	110,591
Education	22,297	22,892	25,830
Health and Social Welfare	14,942	16,726	20,870
Agriculture	37,394	17,701	21,073
Labor and Communications	18,371	18,500	18,633
Subtotal	302,594	319,553	347,958
Budget adjustment	941	695	543
Total	303,535	320,248	348,501

¹ Not shown separately.
² Not in force.

Provision for debt service is insignificant amounting to only 65,267 bolivares, of which 50,000 bolivares are for amortization. This is due in part to the small debt, in part to maturities prior to or early in the 1943-44 fiscal period, and in part to the fact that interest earned on Government deposits with the Central Bank more than offsets interest on the Government's indebtedness to the bank. On December 31, 1942, the total debt amounted to 15,494,577 bolivares, all of which was internal and consisted of 4,500,000 in 4½-percent Treasury notes due in May and August 1943, 10,000,000 bolivares in 3-percent loans from the Banco de Venezuela and 994,577 bolivares in "old debt" brought forward from the colonial period. Of the latter obligations, it is reported that an educational institution holds 250,000 bolivares and that 60 percent of the remainder has been lost or destroyed. Interest is being paid on this old debt at 3 percent.

sence of 6 months in 1928, devoted to a trip to the U. S. S. R. for the Remington-Rand Co. Author of numerous articles, reviews, etc., in Government publications, and was the editor and compiler of Russian Economic Notes from 1928 to 1940, a weekly and semimonthly bulletin on economic and other developments in the Soviet Union. He also has written articles on banking in the U. S. S. R., which appeared in Banking, and other special articles in American and British publications.

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DOMESTIC COMMERCE

An Official Publication of the Department
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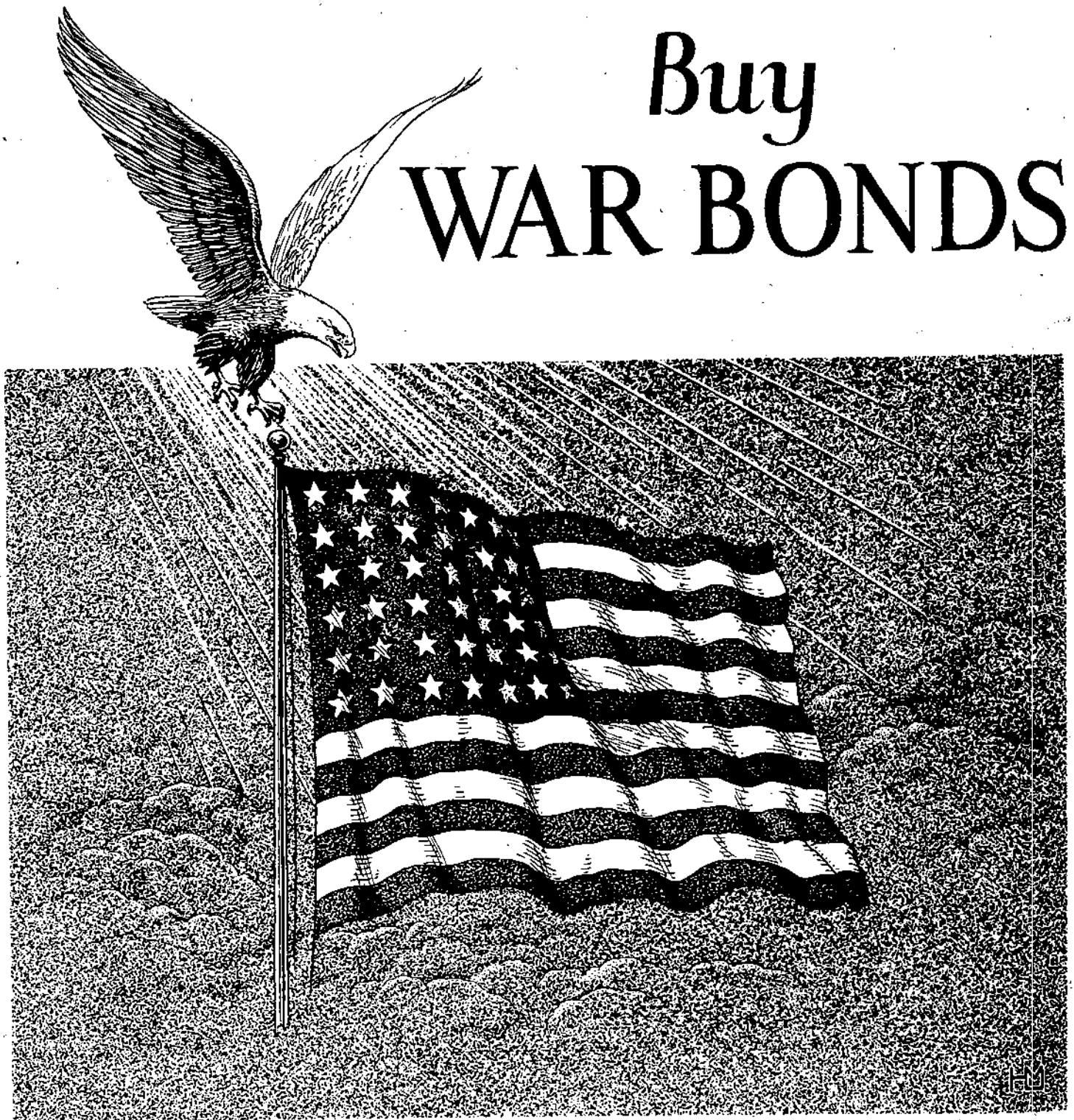
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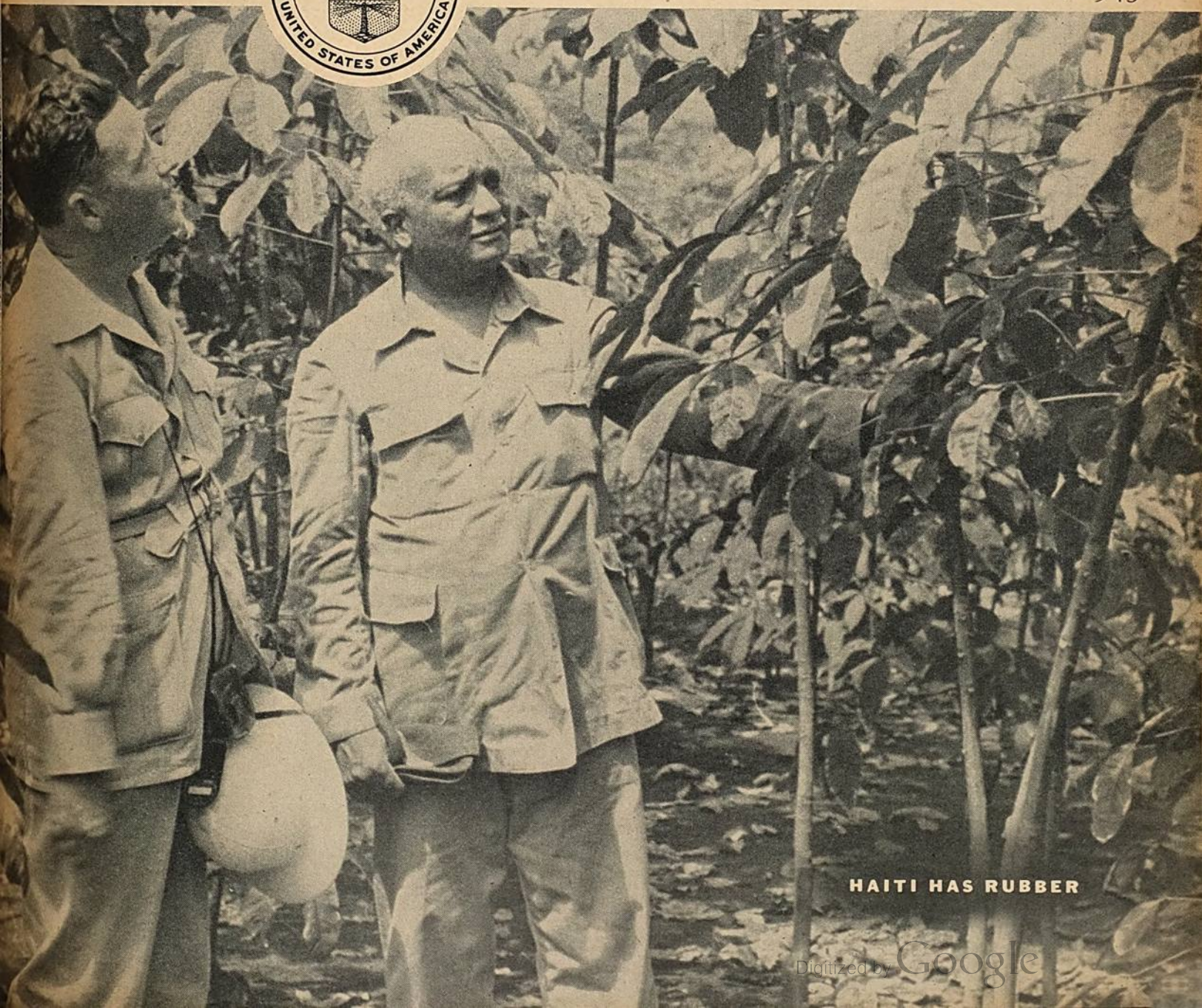
WEEKLY



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November 6, 1943



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UNITED STATES DEPARTMENT OF COMMERCE

THIS WEEK

Cryptostegia—And Related New Activities of Haiti's SHADA.....	3
Quinine—After the War.....	6
German Supplies of Edible Fats.....	8

DEPARTMENT OF COMMERCE

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 Savannah, Ga., 403 U. S. Post Office and Courthouse Bldg.
 Seattle 4, Wash., 809 Federal Office Bldg.

News by COUNTRIES

Afghanistan.....	10	French North Africa.....	12
Belgian Congo and Ruanda-Urundi.....	10	Haiti.....	12
Bolivia.....	10	India.....	13
Canada.....	10	Kenya and Uganda.....	13
Ceylon.....	10	Nigeria.....	14
Chile.....	11	Paraguay.....	14
Costa Rica.....	11	St. Helena.....	15
Denmark.....	11	Southern Rhodesia.....	15
Ecuador.....	11	Spain.....	15
Eire.....	12	Syria and Lebanon.....	15
France.....	12		

News by COMMODITIES

Beverages.....	16	Machinery, Other Than Electrical.....	22
Chemicals.....	16	Medicinals and Crude Drugs.....	22
Coal and Coke.....	16	Motion Pictures and Equipment.....	23
Construction.....	16	Nonferrous Metals.....	23
Electrical Machinery and Equipment.....	18	Nonmetallic Minerals.....	23
Essential Oils.....	18	Oils, Fats, and Oilseeds.....	23
Foodstuffs and Allied Products.....	18	Paper and Related Products.....	24
Glass and Products.....	21	Railway Equipment.....	24
Hardware.....	21	Resins.....	24
Iron and Steel.....	21	Shipbuilding.....	24
Leather and Related Products.....	21	Special Products.....	25
Lumber and Products.....	21	Textiles and Related Products.....	25
		Tobacco and Related Products.....	25

REGULAR DEPARTMENTS

Latin-American Exchange Rates.....	29	New Books and Reports.....	30
United States Export Control and Related Announcements.....	27	Pertinent Comments on World Economy Today.....	11
Trade-Mark Applications.....	26	Contributor's Column.....	28

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Cover photo: Courtesy C.I.A.A.

Cryptostegia—

And Related New Activities of Haiti's SHADA

The New Rubber-Source Recently Discussed at a White House Press Conference Holds Most Encouraging Promise, Says the Head of the Haitian Project: Cryptostegia Grows Quickly, Yields High-Quality Latex, and Can Be Tapped Quite Easily

By THOMAS A. FENNELL, *President and General Manager, Haitian-American Agricultural Development Corporation*

THE BATTLE FOR RUBBER in the Western Hemisphere is an uphill fight against imposing obstacles. In the production of natural rubber, it is a battle to move men and supplies into trackless jungles to tap wild trees. It is a battle to lay the foundations for a long-range plantation industry. Above all, for immediate war needs, it is a battle against time—a race to produce sufficient natural rubber to meet war requirements while our major former

rubber-supply sources in the Far East are closed.

Yet nature cannot be hurried by the urgencies of wartime. It takes, on the average, from 7 to 8 years to get rubber production from the Hevea tree, the most prolific producer among hundreds of latex-yielding plants. At the fall of Singapore in January 1942, the huge rubber-plantation industries of Malaya and the Netherlands Indies represented many years of development work and large expenditures of capital. Hundreds of thousands of workers were engaged in tapping, handling, and distributing rubber from the Far Eastern plantations. These plantations and distributing organizations could not be duplicated quickly elsewhere.

SHADA Was Ready

Fortunately, at the fall of Singapore, the United States had a substantial stock pile of natural rubber to help bridge the gap until synthetic factories and the inter-American natural-rubber program could produce, in a measure sufficient to offset the supply losses in the Far East. The inter-American program of cooperation in development of the natural-rubber industry in the tropical Americas was beginning to make more rapid progress when the supply crisis arose after Pearl Harbor. In Haiti, the Société Haitiano-Américaine de Développement Agricole (Haitian-American Agricultural Development Corporation), better known as SHADA from the initials of its French name, had begun work on the establishment of a rubber-plantation industry, based mainly on the Hevea tree.

SHADA is a Haitian organization, supported by credits from the Export-Import Bank of Washington and technical aid from the United States. Haiti, with climate and soil favorable for tropical agriculture, with a large reservoir of manpower in proportion to its territorial size, was judged well suited for a rubber industry. SHADA was a going concern ready to take a larger hand in the rubber program when the loss of the Far Eastern supply sources made it imperative to use every possible means to increase rubber production in the Western Hemisphere—and to increase it quickly regardless of cost.

So SHADA, at the outset of its career, assumed a front-line position in the Western Hemisphere's battle for rubber. And SHADA undertook to grow rubber fast. SHADA's vehicle for the race with time is *Cryptostegia*, a quick-growing vine, which produces a high grade of natural rubber, comparing favorably in quality with latex obtained from the Hevea tree.

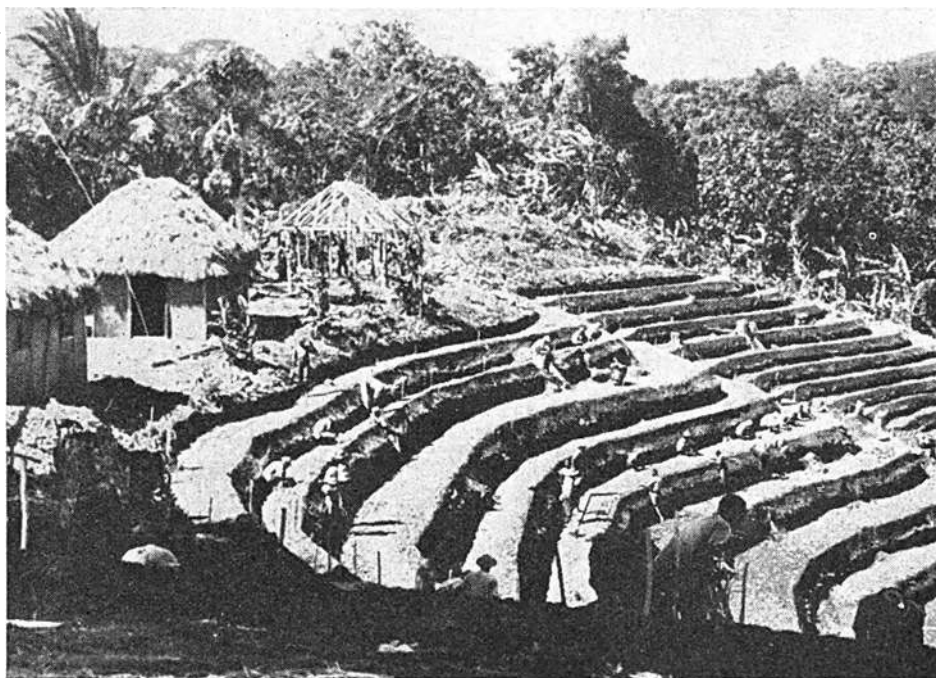
Cryptostegia: Quick Producer

In October 1942, SHADA contracted with United States procurement agencies for the planting of up to 100,000 acres of



SHADA laborers irrigating newly planted cryptostegia.

Courtesy C.I.A.A.



A terraced SHADA nursery in Haiti.

Courtesy C.I.A.A.

cryptostegia to help meet emergency needs for natural rubber. Now, after a year, the cryptostegia project is beginning to produce rubber. Production starts as a trickle, but it is expected to increase to about 3,000 long tons in 1944, and to 10,000 or 12,000 tons in 1945. The project in Haiti, so far as we know, is the first large-scale effort to produce rubber from the cryptostegia vine. Aside from the immediate need for natural rubber, it should make a useful demonstration of the productive possibilities of cryptostegia in comparison with production from Hevea and Castilla trees and from newly built synthetic-rubber factories.

More than 30,000 acres already have been planted to cryptostegia in Haiti. By the end of 1943, it is expected that between 60,000 and 85,000 acres will be cleared and planted—and that 10,000 acres will be brought into production by the start of 1944. Before the end of 1944, the entire planted area should be in production. For cryptostegia's principal advantage in the battle for rubber is quick production. The cryptostegia vine can be tapped within a year after planting. And since time is the big element in the wartime battle for rubber, cryptostegia was chosen as one of the "best bets" in the race to increase natural-rubber production in the Americas as quickly as possible. SHADA has about 65,000 Haitians working on the cryptostegia project. After engaging in the planting, these workers continue as tappers when the vines come into production.

Learning and Devising

When SHADA undertook the cryptostegia program, 1,000 acres of wild plants in Haiti were available as a source of propagating material. It was known that it was possible to tap the vine, and that it would yield rubber of a high quality, but field procedures had to be learned

and devised as the project evolved. A method of tapping the vines also had to be devised.

These problems have, it is felt, been solved satisfactorily in view of the limited time available for research and experiment. It is now estimated that SHADA can produce rubber from cryptostegia at an over-all cost of about 60 cents per pound, and more and more is being done to improve further both producing and tapping methods.



Courtesy C.I.A.A.

Haitian laborer tapping cryptostegia plants in Haiti. With these simple machines the tapper can collect the latex from 1½ acres of plants per day.

What the Plant Is and Does

It seems desirable to stress the characteristics of cryptostegia. The plant is a native of Madagascar. It is a strong and beautiful vine, with much the same habits as a climbing rose. The cryptostegia plant, however, has no thorns. It is covered with glossy green leaves and a profusion of small lavender fragrant flowers, shaped something like the Easter lily. The plant long has been cultivated throughout the warm regions of the world as an ornamental vine. Its ability to produce high-quality rubber has been recognized for at least 50 years, but, as already indicated, SHADA's project in Haiti is the first attempt to use it on a commercial scale. The life of the cryptostegia plant is indefinite, with a life expectancy of at least 25 years on plantations. The tapping is not injurious to the plant. On the contrary, SHADA's plants seem to gain under the tapping operation, to produce more rubber, and to become larger during the first year or so.

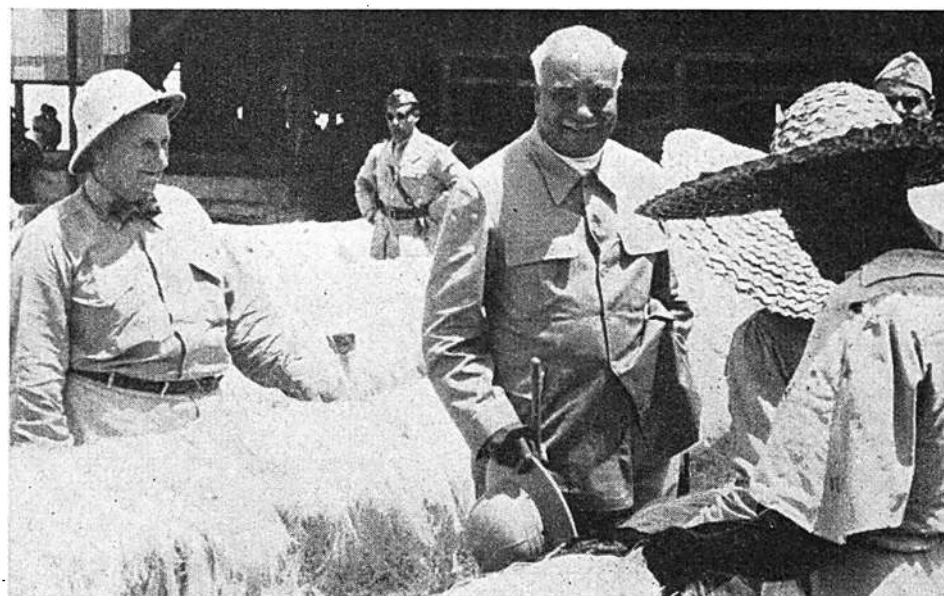
The Project Develops

Actual field development in the cryptostegia program in Haiti started January 1, 1943. The first 2 or 3 months were spent principally in organizing operations and obtaining land. Initial field plantings were made in February, when 2,000 acres of land were seeded. During the final months of 1942, SHADA had planted about 100 acres in nurseries and 60 acres for experimental purposes.

In May 1943, approximately 20,000 acres had been seeded. By then it was apparent that direct field seeding was

not sufficiently successful or economical to be considered the best method. Instead, the planting of nursery-grown stumps of small plants proved more economical and more satisfactory. So SHADA stopped direct field seeding and initiated large-scale nursery development. From mid-May to mid-August, more than 1,800 acres in irrigated nurseries were planted, yielding in excess of 500,000,000 sturdy young plants. These stumps are planted at the rate of between 400 and 500 acres a day, involving the setting out of from 2,800,000 to 3,500,000 plants daily.

At the start, each of the young plants was placed in a carefully dug hole, and the soil was replaced by hand. This was slow and laborious. It cost about \$10 an acre to plant 10,000 plants by this method. The cost of the operation, however, was reduced by use of a steel dibble. With the dibble, SHADA's planting crews now set out 7,000 plants at an average cost of about \$3 an acre.



Courtesy C.I.A.A.
President Elie Lescot of Haiti looks over sisal drying in the field in one of the SHADA plantations in that Republic.

Major Problem Solved

The second great problem was how to gather the rubber—whether it was better to obtain it as latex or as coagulated pieces of rubber. In the early stage of the cryptostegia project, much skepticism existed as to whether it was practicable to collect latex from billions of plant stems without incurring exorbitant tapping costs. SHADA's work on this problem started with the understanding that the stems would have to be grouped into bunches. Then SHADA's technicians set about finding the best way of obtaining latex from the bunched stems. A simple machine was developed which now enables the Haitian worker to tap, on the average, from 1½ to 2 acres a day. This is another factor in keeping down production costs.

The tapping is done in this way: The tappable whips, or long climbing branches, are gathered into bunches of from 8 to 20 each. The bunches are tied about 4 feet above the ground and then tied again toward the end of the stems. The bunches remain tied until tapping cuts back past the tie. The worker places the bunched stems in a clamp at the top of the tapping stick and, using a sharp knife, cuts the stems about 1 inch above the ends. The cut ends are saved, for each end has a small plug of rubber, similar in shape to the rubber at the end of a pencil.

After the stems are cut, the latex drips (for about 3 minutes) through a small funnel in the tapping stick into a container.

A tapper handles about 10 tapping sticks and taps from 800 to 1,600 bunches daily. Each plant is tapped every alternate day throughout the year, save for periods of extreme drought. SHADA tappers are producing approximately 300 pounds an acre a year from young plants. This compares with production of about 300 to 400 pounds from Hevea seedlings under average circumstances and about 500 pounds an acre annually from Hevea after 6 to 10 years of growth.

Latex at the Factory

When the containers on the tapping stick are nearly full, the tapper transfers the latex into a pail and carries it to the farm factory. There the latex is put in large tanks, then drawn off into small coagulating tanks, where it is mixed with approximately six times its volume of clear water. The latex immediately coagulates. The soft coagulum is pressed into sheets, rolled, and then put through a marking roller which gives the sheets a waffle-like appearance. The sheets are soaked in water to remove impurities, dried, and smoked over fire for about 7 days. Tests of the smoked sheets show SHADA's rubber to be equal to the best Hevea for all practical purposes.

Cryptostegia latex, like the latex of other rubber-producing plants, contains only a relatively small amount of rubber in comparison with moisture and other nonrubber substances. The water-coagulation method washes away the non-rubber material. SHADA's research has revealed some 15 or 20 other methods of coagulating cryptostegia latex, but none has been found to be as satisfactory as the water-coagulating method. Recently SHADA discovered how to condense and to preserve the latex indefinitely in a liquid form—also how to coagulate the condensed latex and make it at will into good rubber. Cryptostegia latex is acid in its reaction, so it may prove useful for processes not available to Hevea latex.

"Cut Costs" Is Aim

These improvements in cryptostegia operations illustrate the possibilities for reducing costs through practical experience. How much can be done toward the goal of lower production costs remains to be seen. In gaging the long-run chances of cryptostegia's staying in the production battle, one important

factor is that the plant is comparatively free of disease. No serious pathological conditions have been found in cryptostegia.

Moreover, cryptostegia is now in about the same stage of development as Hevea was in 1900. Then cultivated Hevea plants mostly were seedlings. No high-producing Hevea varieties had been developed through research and experiment. In Haiti, SHADA is carrying on, simultaneously with planting operations, extensive research with the objective of producing better-yielding strains. Already SHADA's research efforts have uncovered plants which are three times as productive as the average. More than 100 individuals have been found which produce at least three times the average. Unfortunately, this tendency toward high production is not always carried through to the grafted progeny of the high-yielding plant. So far as is known, SHADA's research is the most concentrated effort yet made to improve cryptostegia's productive capacity.

Future Competitive Position

As more is learned about cryptostegia, and the efficiency of field operations is improved, the long-term production prospects naturally become brighter. One advantage of cryptostegia is the short development period. This means that invested capital is tied up only a year or so before production starts, in contrast with 7 to 8 years in Hevea rubber. Still, unless cheaper tapping methods and higher producing strains can be developed, cryptostegia undoubtedly will have difficulty competing with Hevea on a straight price basis in the event of a return to former competitive conditions in the world rubber markets. There is, in addition, the new competitive factor of synthetic rubber.

Yet, all things considered, cryptostegia rubber may become commercially

(Continued on p. 29)

By T. W. DELAHANTY and E. D. SCHUTRUMPF, *Drugs and Pharmaceuticals Unit, Bureau of Foreign and Domestic Commerce*

"**M**ALARIA IN ITS MANY FORMS constitutes one of the great scourges of mankind today—if not the greatest. It poses problems of the utmost immediate and future importance." These statements were made on the floor of Congress, a little over a year ago. Those conversant with the facts think of the malaria belt in the United States and the millions in our military service in contact zones throughout the world, as well as the responsibility that we have assumed through Lend-Lease and Relief and Rehabilitation. Additionally they ponder its consequences, as we plan the necessary activation of our Good Neighbor Program for Latin America and other areas where this malady is endemic.

In an economy such as ours, wherein the factors of efficiency and constructive effort hold such a prominent place, the continuing debilitating effect upon those afflicted and the ever-threatening spread of the disease are particularly challenging. Records indicate that people in uncontrolled malarious areas seem in many ways incapable of sustained progress, a fact which gives rise to thought of the current problems (but more particularly of the future problems) in this connection. For example: it has been estimated that malaria afflicts one-third of the world population (or perhaps as many as 800,000,000 people), an unfortunate group who, under repeated attacks of the disease, have lost their initiative; more significantly, they are vectors for contaminating others through the carrier mosquito. Malaria represents an element working counter to the attainment of higher living standards. Consequently, were all sufferers assured adequate supplies of quinine, the only known specific, hand in hand with alleviation should go the incentive to eliminate the carrier and eradicate the globe-encircling disease.

Roots of the "Quinine Crisis"

Associated with the present-day problems of meeting military and civilian requirements of quinine and the planning of cinchona cultivation is the problem of "quinine after the war." Many persons who are now expressing concern over the situation feel that some type of international agreement or control should be effected to prevent a recurrence of a crisis in the world's quinine supply such as occurred with the fall of the Netherlands Indies.

The present critical situation with regard to supplies and the uncertainty as to future prospects of replenishing the United States diminishing quinine stocks are undeniably the result of uncoordinated pre-war control of production, distribution, and prices of cinchona bark. During the stages of early quinine development there existed at times localized overproduction which resulted in a drop in price; moreover, the improve-

Quinine— After the War

ment in the quinine yield of the bark through scientific cultivation was a factor contributing to the economic crises in the cinchona-bark cultivation of a number of countries.

The Case of Ceylon

Such an instance developed in the case of Ceylon, which in 1886 produced some 15,000,000 pounds of cinchona bark, more than half the world's production at that time. Because this enormous production upset the European market, the exportation of bark from Ceylon fell as rapidly as it had risen. The resultant slump in prices was a boon to the consumer but disastrous to the planter. In consequence, the industry collapsed, and with it went all incentive to continue British cinchona development in Ceylon. Lack of scientific cultivation to increase the quinine yield has also been cited as a factor contributory to the collapse, which severely depleted the world's resources of cinchona bark.

Ironically enough, a survey of a recent malaria epidemic in Ceylon found that country regrettably unprepared to meet the emergency. Out of a population of 5,000,000 persons, about 1,500,000 cases resulted in a mortality of 70,000, according to a statement of Dr. L. T. Coggeshall in the May 1 Journal of the American Medical Association.

Other countries having a high incidence of malaria are without supplies to meet the normal quinine needs of their own populations and, through failure to develop their cinchona resources, have had inadequate reserves to cope with epidemics.

India's Need

The extent of the Ceylon tragedy calculated in terms of human life can be evaluated only when one considers the needs of a country such as India which has some 100,000,000 malaria sufferers, only one-third of whom receive malaria treatment. This situation may be largely attributed to the lack of purchasing power of the lower income groups, many of whom are victims of the disease. They can afford only the bare necessities of life—much less quinine even at what might be considered a fair price. As a partial solution, the Government distributes quinine on a free basis or at cost, a system that might be extended to advantage. However, India can supply through its domestic resources only

one-third of the requirements of the group mentioned, hence is a purchaser of large quantities of cinchona bark or quinine.

Today's Acute Emergency

In these war days, the unusual activity in movements of troops, refugees, or other groups of people—many of whom are nonimmune—through malarious areas, has made the need for a prophylactic more acute than ever. The importance of quinine as a strategic war material has focused attention on procurement of quinine from every possible source, notably the American Republics—the original habitat of the cinchona tree. This endeavor is at present being actively fostered by the Office of Economic Warfare.

Aside from the military angle, the world's constant and enormous quinine requirement for the treatment of civilian malaria prompts this discussion on quinine in the post-war period. The economic and sociological effect of endemic malaria upon the human race should be sufficient to remove quinine from the pale of "pure commercialism" into a realm of "national responsibility."

Of International Importance

A look into the future when the Indies shall be free of Japanese domination, presupposing that there will remain an appreciable portion of the pre-war cinchona plantations, brings up the question: "What now about quinine?" Certainly it is apparent that the quinine problem is one of international importance, and many persons have expressed the conviction that aggressive thinking and planning should be under way with a view to effecting agreement between the various nations which are suppliers as well as consumers of quinine and those nations which are wholly dependent for their supplies of either quinine or cinchona bark on the producing nations.

International cooperation is inherent in the malaria programs of: (1) the Rockefeller Foundation, (2) the Malaria Commission of the League of Nations. The Rockefeller Foundation Health Commission is supporting work in malaria chemotherapy in the United States, England, and India. For many years its activities in the field of malaria control have extended to cooperative work not only in the United States but in all parts of the world's malarious areas.

The Malaria Commission held its first meeting in 1923 and was created as a result of conditions at the end of World War I. In 1918, the general malaria situation appeared aggravated, both by war conditions and the almost complete suspension of antimalarial measures, due to the disorganization of the general health services, the lack of doctors for civilian service, the insufficiency of quinine, and the lack of money. This Commission functioned continuously and as late as 1940, according to the latest available official journal of the League of Nations, was still in existence.

Malaria Commission's Work

The Malaria Commission, a section of the Health Committee of the League, included in its program: (1) study of malaria remedies including the appraisal of the therapeutic values of various antimalarials, natural and synthetic, (2) epidemiology of malaria in many of the countries of Europe and Asia, (3) assistance rendered, upon request, to many such countries in studying and planning programs for malaria control, through sanitation measures, establishment of medical facilities, educational measures, and related efforts, and (4) study of the world's resources of cinchona bark and quinine. With respect to the last item, much information was gathered in reply to a questionnaire, a report covering which was completed in 1932. Replies were received from 111 health departments of malarial countries, of which 93 considered malaria a problem.

The Malaria Commission was planning to call together an international congress for consideration of the following rather pertinent problems, proposals covering which had been brought up at a number of the meetings of the Health Committee:

1. Inquiry into the world's requirements of quinine.
2. Present production and means of improving this.
3. Determination of whether the total quantity of quinine produced by all the factories in the world could be regarded as sufficient for the requirements of prophylaxis on a large scale.
4. Consideration of the advisability of establishing new quinine factories under government control with a view to obtaining pure and inexpensive products.
5. Development of the cultivation of cinchona trees in new countries.
6. Cost of production and sale price.
7. Distribution of quinine by the State or sale by private traders.
8. Sanitation projects necessary for eradication of mosquitos and for malaria control.

Collaboration Is Vital

It is apparent from the above that the many problems involved would require international collaboration and coordination in an endeavor to stamp out endemic malaria. It is not inconceivable to think in terms of international control or supervision such as that which is administered by the Drug Supervisory Body of the League of Nations (created

under the Convention of 1931) for Limiting, Manufacturing, and Regulating Distribution of Narcotic Drugs. True, the latter is merely a restrictive measure covering dangerous drugs. Any organized body which might be created for the administration of cinchona and quinine production, distribution, costs, and related factors would be of even greater service, since a large part of the population in malaria-infested regions are helpless victims. In the first place they are unable to purchase quinine for prophylaxis at existing prices, and secondly their respective governments have been unable to provide adequate protection through (a) present health services, including free distribution of quinine, (b) sanitation projects to remove or control conditions responsible for endemic malaria, which are not always feasible because of special geographical obstacles and a cost beyond the economic level of the population.

Today's Stepping-Stones

Stepping-stones to a possible international accord with respect to quinine and malaria control are the existing mutual-benefit agreements between the Governments of the United States and of a number of American Republics. Measures taken were the cinchona agreements, and the joint malaria-control program of the Health and Sanitation Division of the Coordinator of Inter-American Affairs and the American Republics governments where malaria is a major health problem.

The latter program represents an important step toward a united effort to stamp out malaria in the Western Hemisphere. Primarily, efforts have been

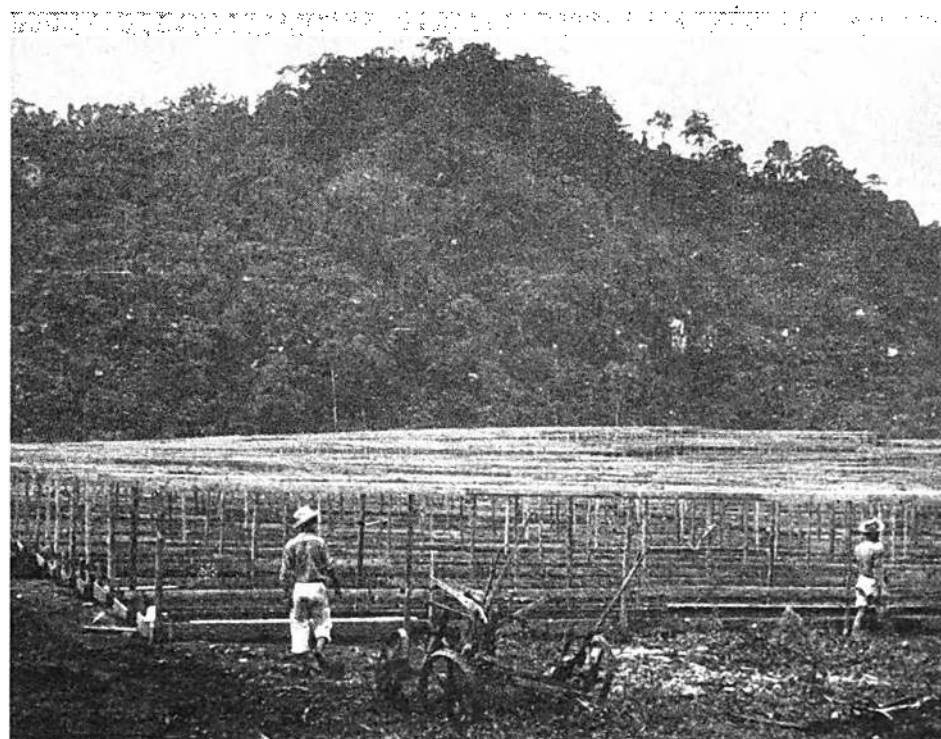
made to destroy the aquatic and adult stages of *Anopheles* mosquitos and their breeding places. In addition to the engineering-projects program, provisions have been made and additional plans are being formulated for establishing medical facilities, educating the people, and similar essential measures. All the while, much quinine will be needed and should be available in proportion to the needs of the respective countries.

Virtues of United Effort

An equitable distribution of quinine according to national requirements might well be developed from these programs and (after the cessation of hostilities) extended to other nations. The procurement program of the Office of Economic Warfare involving development of methods of collection of existing cinchona bark and the exploring of unexploited forests; and the cultivation of cinchona trees is well under way. One may perhaps visualize, without undue optimism, an extension of all these projects to other nations and a recognition of the virtues of international effort toward a common goal—eradication or at least control of endemic malaria and betterment of sociological and economic conditions in affected countries.

The suggestion for a centralized body of international scope will naturally bring to mind problems that may seem insurmountable, not the least of which is that of maintaining the economy of the leading producing countries. However, a program of equitable distribution of cinchona bark and quinine on a cost-plus basis, which would enable greater numbers of individuals to purchase qui-

(Continued on p. 31)



Cinchona seed project in the Department of San Marcos, Guatemala—one phase of the Western Hemisphere cinchona-cultivation program of the United States Office of Economic Warfare.

German Supplies of Edible Fats—

The Candle Isn't Burned at Both Ends—Yet

By RUTH CRONE, *Industrial Projects Unit, Bureau of Foreign and Domestic Commerce*

DETERMINED that one of their most vulnerable spots in World War I should not be cause for defeat in World War II, the German people have made appreciable advances in compensating for edible-fats deficiencies. So marked has been their progress in this regard, it appears that even the weight of Allied North African victory, which cut off the Axis' last source of vegetable-oil importations, will have little telling effect upon the already subnormal German diet. Rather, the lost military campaign will probably serve to intensify a widely developed cultivation of oleaginous plants within Continental Europe.

One of the bases of the "New Order" was that the southeastern countries of Europe should supply Germany with foodstuffs while the homeland turned more and more toward industrial pursuits. In accomplishing this purpose by coercion and conquest, the Reich achieved significant results in the protection and advancement of its basic interests.

As shown in the chart on page 9, about 96 percent of the European Continent's production of vegetable oils (other than olive oil) was produced in Axis-dominated countries. Control in some quarters may possibly have been effected by barter, though these transactions have been quite secret; however, certain singular arrangements were completed in 1939 whereby Germany might recompense the cooperating nations with German goods. Even payment in kind might be postponed to a later date.

Rumanian, Bulgarian Output

Hitler's march into Prague was closely followed by a trade agreement whereby Rumania had to intensify its cultivation of soybeans and other oleaginous plants for the Reich. Bulgarian agriculture emerged from near-bankruptcy when greatly increased trade with Germany began. Germany's share in Bulgarian export trade rose to one-half in 1935, then to two-thirds in 1938. Those deliveries also included large amounts of soybeans and oilseeds.

Germans claim that their talent for organization is one major reason why those two countries, among others, are reportedly producing fats and oils effectively for the Axis. Bulgaria had cultivated 10,125 acres of rape and 3,240 acres of castor beans in 1942. Rumania is the greatest cultivator of rape as a source of oilseed in Europe, and German authorities say that in 1942, 268,700 acres of oilseed crops were planted in Rumania compared with 161,900 in 1939. About 222,000 tons of sunflower seeds, 27,000 tons of hempseed, 25,000 tons of soybeans, 14,800 tons of rapeseed, and 700 tons of linseed were expected of the 1942 Rumanian yield.

In Northwest Europe

All the northern European countries in 1942 had about 18,615 acres of oilseeds under cultivation. A large portion of this amount (65 percent) was for white mustard.

White mustard seed was the principal commodity of Denmark's oleaginous acreage. Previously, that country had expanded areas designated for all oil-bearing plants by 4,050 acres, bringing the 1943 area to 11,820 acres, according to Axis publications. Denmark planned to put 2,025 acres of flax for linseed under cultivation in 1943.

The Netherlands was cultivating 20,235 acres of oil plants in June of this year, and the rapeseed harvest in northern Bavaria, as reported last July, was good. Its oil content was said to be from 11 to 14 percent.

Most astonishing development is that of Belgium rapeseed cultivation which has risen 28½ times between 1939 and 1942. With this in mind, the Netherlands farmers were reported as planning in 1943 to plant 20,235 acres of rapeseed against only 1,215 acres 4 years ago.

In the Satellite States

Hungary increased its sunflower and castor-bean cultivation by 50 percent and its 1942 soybean plantings by 1,620 acres over the previous season. Latvian production was expected to exceed 26,710 acres.

"Slovakia" had 4,050 acres of oil-yielding plants under cultivation in 1939. Two-thirds of this amount was apportioned for linseed and hemp and most of the remainder for poppies. Plans for

1943 called for the production of oleiferous plants other than flax and hemp to be quadrupled over the 1942 cultivation of 1,415 acres. In addition, attention was given to larger plots for rapeseed, poppies, sunflowers, and soybeans.

Bohemia and Moravia expect rapeseed to be the principal oleiferous product in 1943.

Southeastern European countries, including Albania, Yugoslavia, Greece, Bulgaria, Rumania, and Hungary, have achieved good results, according to press reports from neutral countries, in their efforts to raise more sunflower seed and soybeans.

Of the 12 leading kinds of oilseeds, the soybean (largest areas of which are in Bessarabia and Dobrudja) has been one of the most popular in German thought. One factor which contributes to its growing favor is that the oil content of the soybean amounts to about 17 or 18 percent. In addition, it has a high albumin and nitrogen content which causes the oilcake produced after the oil has been expressed to be of great value.

French Production Rises

An increased production of rapeseed and poppies in France was the result of a rise in the oleiferous field area from 3,640 acres in 1938 to 13,750 acres in 1942. Like many of its neighbors, France tried to raise soybeans, and for the first time, about 3,250 acres were sown with sunflower seed. The Vichy government says that during the agricultural year 1942-43, 36,425 acres were devoted to various oleaginous crops. Next year it is hoped that 141,650 to 161,880 acres will be devoted to oil-bearing plants.

After defeat, France suffered from the ravaging by the Axis of its fats-and-oils supplies, for, by supplementing domestic production by "dominated" production, Germany hoped to accomplish the supreme objective of the Second Four-Year Plan—self-sufficiency.

Strong Stimulus in Reich

As for the secondary source, the Reich's own output, vegetable-oils and oil-cake production, which had been consistently declining, in 1933 received fresh impetus; national production of vegetable oils alone rose 15 times between 1933 and 1936.

On the basis of Germany's fats production in relation to total demand, in 1932

the percentage was about 40; in 1937, 55; in 1938, 56. On the basis of importations, more fats and oils were received in 1933 than were produced domestically, but 5 years later imports amounted to only three-fourths of Germany's domestic output.

During that time, as a result of this increased home production, the Reich's total supply of fats had risen 281,000 tons. This increase was not consumed; in fact, the annual per capita consumption of fat fell 3 pounds. These data would tend to strengthen the belief that the Reich had built up a stock of fats and oils, at the same time cutting consumption—thus, one of the primary reasons it became more self-sufficient was self-denial.

Inadequate Sustenance

It would seem that the German fats diet left much to the gastric imagination. Because of ambiguous terminology and the problem of measuring fats in the diet, one must watch whatever data exist, but a comparison of the 1937 with the 1927 German diet appears to show a 7-percent decrease in fats, though carbohydrates were added to fill the gap. Two years later, in 1939, a large proportion of the Nazi population apparently had inadequate sustenance (especially in contrast to a much higher nourishment level in 1914). For the period of October 23 to November 19, 1939, ration coupons allotted two-thirds as much butter, half as much margarine, and one-third as much hog fat to every individual consumer as per capita statistics indicate that he was getting before the war broke. According to unofficial sources, in February 1943 margarine was rationed at the rate of less than three-fourths of a pound per month.

These cuts were in direct contrast to one of the outstanding world dietetic changes since the turn of this century—the rising per capita consumption of fats. And Germany had been no exception in this respect. In that country the average annual fat consumption for each individual rose more than 11 pounds from the 1909-13 average to the average of 1935-36, when restrictions began. In other words, the situation was a bit comparable to beginning intravenous injections for a patient who is finally able to take daily exercise.

Controls and Contrivances

This enforced lowering of the fats-consumption standard, however, was not a unique procedure in Germany. The Reich had long been exercising control over the fats-and-oils industry of the country and, throughout the "smouldering period" of the present war, was making dietetic preparations for the conflict itself. Raw materials, such as vegetable oilseeds, went into most of the countries of Continental Europe, Germany not excepted, free of duty. At that time the quantity of oil derived from German imports of oilseeds increased, though the actual amount of those imports declined, because the proportion of seeds of high-oil yield rose at the expense of those of low-oil yield.

As previously noted, 2 years before hostilities began the Axis meticulously laid in a supply of fats, so that, as an official later put it, unavoidable decreases in forthcoming production would be compensated. At the same time the Reich turned to substitutes for some of the more inaccessible commodities. As an example, instead of vegetable oils, whale oil was used, wherever possible, in the manufacture of margarine. Among its other values, whale oil is easily stored, and this fact partly accounts for the spirited competition on the world market between the United Kingdom and Germany for this item prior to 1939.

In the Synthetic Field

Meanwhile, Germany had also continued to seek a means of producing synthetic fats. At last, a fitting catalyzing agent was discovered to transmute fat from paraffin, and in 1936 a concern began production of synthetic fat with an initial 20,000 tons. Steps were taken to increase this amount 400 percent while other plants were being built. In addition, German scientists are reported to have succeeded in producing fat from fungus cultures, and the percentage of fat thus obtained is said to be high.

Restrictions Imposed

Any change in the German monopolistic restrictions, begun 5 years ago, has been only one of degree. Some time before the war began, German fats-and-oils producers and even their distributors were under certain restrictions characteristic of a war economy, and less than a week before the invasion of Poland food rationing started in Germany, fats and oils being one of the first classifications included in the program. A Fats Scheme was designed to reorganize the German fats market in such a way that price formation would be independent of the more fluctuating and unpredictable tendencies of world commerce. Thus, because vegetable fats gave the highest fat yield per area unit, they were assigned higher prices, and by 1939 vegetable-fats production had been appreciably aided by this practical form of encouragement.

Salvage Methods Rigorous

Simultaneously, peoples of the Axis nations watched for waste and eliminated it whenever and wherever possible. It was said that the saving in 1939 by this means alone amounted to about 20 percent of the fats needed for technical and industrial processes. Sources of salvage included fatty tissues trimmed from meat in butcher stores and kitchens, the carcasses of condemned or dead animals, oilcake, coffee grounds, garbage—and, finally, general city sewage.

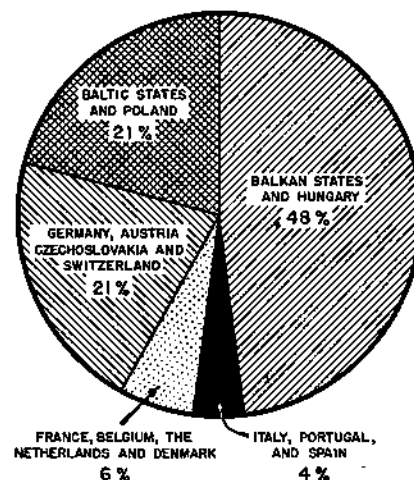
Corn, tobacco, tomato seeds, rice bran, grapeseeds, peach and apricot pits, beechnuts, and other similar waste seeds were also used.

Question of Storage

So no miracles were performed by the Nazis. As a further example of the

EUROPEAN VEGETABLE-OIL PRODUCTION (EXCLUDING OLIVE OIL)

1938-1940



BASED ON DATA FROM THE INTERNATIONAL INSTITUTE OF AGRICULTURE.
D.D. 43-541

problems that arise there is that of storing certain oil-bearing seeds. Before World War II, and even more recently, naturally dried seed was sold directly to oil processors, as the amounts handled permitted regular flow of material from farm to factory. With the greatly enlarged requirements of Germany at war, however, the current practice is to store quantities of such seeds, particularly rape and poppy, for considerable periods to insure availability of supplies when needed. Because excessive moisture causes deterioration, regulations were adopted obliging wholesalers and crushers to store seed only if it contained less than 8 percent water. Compensation of 0.75 reichsmark per metric ton is paid growers for drying seeds to within the safety storage range of 6 to 8 percent moisture.

"Good Old Days" Vanish

These minute economies present a picture vastly different from that of the days before the Munich agreement when Asia and Africa were the sources of about 70 percent of all fats exports for the world and Germany was a substantial participant in that trading. Later, when German-U. S. S. R. pact was signed, one of the most important effects was the assurance that soybeans could still be moved to Germany from "Manchukuo," one of the last of Germany's dwindling sources. And today, though Japan is literally overflowing with fats obtained by conquest in the Philippines, the Netherlands Indies, and other producing centers, the now hostile Soviet Union, India, and the British Navy are between these Axis allies.

North Africa—Morocco, Algeria and Tunisia—still remained, and, while Rommel was meeting defeat there, official observers say that he drained that section of all supplies. Goals in those three countries for dry legumes and oilseeds were high above the pre-war average. But the greatest "fats-and-

(Continued on p. 26)

News by COUNTRIES

Afghanistan

Exchange and Finance

Dollar-Afghani Exchange Rate Fixed.—The Government of Afghanistan has fixed the exchange rate for the dollar at 11.5528 afghanis. The new rate became effective on October 13, and it is understood that it replaces the dollar buying rate in Kabul of 13.0472 afghanis which has been the fixed rate since the American Legation was established in June 1942.

Transport and Communication

Road Construction Planned.—Afghanistan has no navigable rivers, barge canals, or railroads, and the entire transportation system is based on the use of trucks, and animals, including horses, donkeys, bullocks, buffaloes, elephants, and camels. Camels are the most widely used animals for transport; they can carry about 300 pounds each and travel about 2 miles an hour.

Freight tonnage is estimated at 50,000,000 ton-miles annually in wartime and twice that amount in peacetime. Approximately 800 3-ton trucks are needed to carry present minimum requirements. If transport were modernized, at least 4,000 vehicles would be required.

The present transportation network consists of about 2,000 miles of improved roads; 2,000 miles of occasionally motorable routes, and an additional 4,000 miles of main caravan trails. The main highway artery includes the periphery route around Afghanistan through Kabul, Mazar-i-Sherif, Maimana, Herat, Farah, Kandahar, and Ghazni and back to Kabul. This route is composed of unpaved dirt and gravel roads, many of which are made impassable by snows and floods. Roads feeding the main highway include tracks or river beds; other routes are mere caravan trails, which reach into most of the villages but were never intended for motor travel.

It is reported that plans are being made for a system of roads, construction of which would cost in the neighborhood of \$20,000,000. Afghanistan has ample limestone, gravel, and sand which can be utilized for road construction.

Belgian Congo and Ruanda-Urundi

Tariffs and Trade Controls

Objects of Native Art Conditionally Exempted From Export Duty.—Objects of native Congolese art, of ivory, ebony, wood, raffia, basketwork, matting, pottery, and similar items, usually desig-

nated as collector's items," were exempted from export duty in the Belgian Congo and Ruanda-Urundi, effective June 16, 1943, if sold by duly recognized groups for the profit of Belgian or Allied acts of war, by ordinance law No. 183/Fin. Dou. of June 16, published in the Bulletin Administratif of June 25, 1943.

Shelled Peanuts Again Exempted From Export Surtax.—The customs surtax on shelled peanuts exported from the Belgian Congo and Ruanda-Urundi, which had been reestablished on October 23, 1942, was again removed, effective from June 11, 1943, by ordinance No. 117/Fin. Dou. of June 11, published in the Bulletin Administratif of June 25.

[See FOREIGN COMMERCE WEEKLY of October 17, 1942, for announcement of a previous removal of this surtax.]

Bolivia

Transport and Communication

New Air Services Inaugurated.—Lloyd Aereo Boliviano has inaugurated a new air service from La Paz to Riberalta, Bolivia, and similar services are being arranged by the Ministry of National Economy to the cities of Magdalena, Trinidad,

and Cobija. On the first trip to Riberalta 1,472 kilograms of sugar were carried.

Preliminary arrangements with Pan American Grace Airways (Panagra) and Lloyd Aereo Boliviano (LAB) call for six flights monthly from La Paz to Magdalena and Trinidad and four to Cobija. Flour, rice, sugar, and other staple products will be transported to the cities, and rubber will be carried on the return flight.

Weekly passenger service from La Paz to Sucre was inaugurated by LAB on August 28.

Canada

Wartime Commodity Controls

New Food-Rationing Provisions Announced.—An order consolidating all previous food-rationing orders was recently announced by the Wartime Prices and Trade Board of Canada. In general, the consolidated order follows closely the previous four orders covering food-rationing rules. One new provision requires the surrender of ration books by persons who leave Canada for 60 days or more and prohibits anyone else from using such books in the absence of the rightful owners.

A change has also been made in the time limit for surrender of ration books by guests at hotels. Previously it was required that they be turned in to the management after 1 week's stay. Now they must be turned over after a 2-week stay, and the following coupons will be surrendered for each full 2 weeks' residence: one sugar coupon; one tea or coffee coupon; two butter coupons; four meat coupons; and one preserves coupon.

Regulations governing the personal household use of meat, butter, maple sirup, and honey by farmers as well as nonfarmer producers of such commodities are also included in the consolidated order.

Transport and Communication

War Workers Transported to Alaska by Air.—In 100 special charter trips, 1,000 war workers have been flown from Edmonton, Canada, to Alaska, effecting a saving of 114,000 man-hours, according to the Dominion press. The 1,000-mile trip averaged 5 hours flying time, whereas the fastest surface travel, utilizing both boat and train, requires about 5 days.

Ceylon

Exchange and Finance

National Loan Launched.—The Government of Ceylon has launched a national loan of 125,000,000 rupees (\$37-

The Cover Picture



Haiti Has Rubber

Our leading article this week emphasizes the significance of Haiti's rather large-scale production of the rubber-yielding plant called *cryptostegia*; but that Republic, it must be remembered, is also going in for what might perhaps be called the "standard" source of rubber—namely, *Hevea*.

In our cover picture we see President Elie Lescot of Haiti and Thomas A. Fennell, the president and general manager of the Haitian-American Agricultural Development Corporation, as they inspect a *Hevea* budwood garden on a SHADA plantation in Haiti.

650,250) to be used to meet this year's defense appropriation, to repay a 3-year loan due in 1945-46 and to provide a fund for post-war industrial expansion. For the latter purpose, 55,000,000 rupees (\$16,566,110) will be set aside.

In a broadcast promoting the loan, the Financial Secretary commented on the recent Government policy of borrowing money at home instead of abroad, which has changed the position of Ceylon from that of an oversea debtor to an oversea creditor. In 1936 Ceylon had a net oversea debt of 47,000,000 rupees, but now has a net oversea credit of 167,000,000 rupees.

The comparative prosperity which the war has brought to Ceylon has aided the present debt policy (begun in 1937) beyond all expectations. In 1936 the net debt was 106,000,000 rupees, all payable in London, whereas at least half of the present net debt, though larger, is payable in Ceylon. Since 1936 the Government of Ceylon has borrowed 186,000,000 rupees, of which 14,000,000 were raised in London and 172,000,000 in Ceylon.

The national loan is to be divided into three parts, the first maturing in 10 years and bearing interest at 3 percent; the second maturing at any time between 12 and 13 years and carrying interest at 3½ percent; and the third maturing at the option of the Government in not less than 20 nor more than 26 years, which

will carry interest at 3½ percent. Plans called for inauguration of the loan on October 23, 1943.

Chile

Tariffs and Trade Controls

Most-Favored-Nation Commercial Modus Vivendi with Mexico Extended for 1 Year.—The reciprocal, unconditional, and unlimited most-favored-nation commercial modus vivendi between Chile and Mexico, concluded by an exchange of notes at Mexico City on March 23, 1942, has been extended for 1 year by an agreement of the Chilean and Mexican Ministers of Foreign Affairs, signed on October 13, 1943, at Mexico City.

[For notice of signature of the modus vivendi, its proclamation by Mexico, and the provisions of the agreement, see FOREIGN COMMERCE WEEKLY of June 5, 1943. The United States is on a most-favored-nation basis in both Chile and Mexico.]

Costa Rica

Tariffs and Trade Controls

Copra Reclassified at Lower Rate of Import Duty.—Copra has been reclassified in the Costa Rican import tariff and made dutiable at 0.04 colon per gross

kilogram, instead of 0.75 colon per gross kilogram as heretofore, by Presidential decree No. 67, promulgated September 30, and effective October 15, 1943.

Denmark

Transport and Communication

State Railways Report Profit.—The Danish State Railways report a net profit totaling 4,600,000 crowns for the year ended March 31, 1943, as compared with losses of 20,700,000 crowns in 1941-42 and 24,600,000 crowns in 1940-41, states a foreign transport publication.

For the period under review, working receipts totaled 284,000,000 crowns, an increase of 51,100,000 crowns over the preceding year. Goods receipts reached a total of 144,000,000, compared with 114,700,000 crowns, and passenger receipts rose to 122,500,000 crowns compared with 101,600,000 crowns.

Operating expenses totaled 206,200,000 crowns, an increase of 24,800,000 over the preceding year, and the working surplus amounted to 77,800,000 as compared with 51,500,000 for 1941-42.

Ordinary depreciation totaled 6,100,000 crowns and extraordinary depreciation 54,000,000 crowns.

Shortages of fuel necessitated curtailments of services during the year, particularly in passenger operations.

Ecuador

Exchange and Finance

Public Debt.—According to figures released by the Controller General, the external debt of Ecuador amounted to a total of \$29,473,738.19 and the internal debt to 36,235,928.17 sucres as of December 31, 1942. This was divided as follows:

External debt:	
First-mortgage bonds, Guayaquil & Quito Railway	\$26,281,800.00
Cordor bonds	604,224.64
Salt certificates	717,444.00
Bonds of the Italian 5-percent loan	1,008,000.00
Loan of Export-Import Bank	770,258.63
Loan of Defense Supplies Corporation	102,010.92
Total	\$29,473,738.19
Internal debt:	
Bonds of the consolidated debt, Series A	132,000.00
Central Bank of Ecuador, (new consolidated debt, 3 percent)	21,636,426.77
Central Bank loan of 1941	13,759,408.02
Central Bank loan of 1942	208,093.38
Central Bank loan for Piedra - Bueraventura highway	600,000.00
Total	\$36,235,928.17

¹ Errors in addition appear in sources from which these figures were taken.

Subscriptions to Gold Bond Issue.—In accordance with Executive decree No. 817, requiring commercial and savings banks to subscribe to the special issue of

Pertinent Comments on World Economy Today

[Being one of a series of excerpts from books, pamphlets, and speeches]

Post-War Industrial Reconstruction in Europe

During the period between the two wars the industries in Europe witnessed a mushroom growth. Each country, large or small, endeavored to become economically self-sufficient and established new industries regardless of the availability of raw materials, skilled labor, technical and managerial talent. The industrialization of many parts of Europe was accomplished through the enactment of high protective tariffs, import and exchange restrictions, the grant of subsidies, and government ownership, which often led to high prices for manufactured goods.

The present war changed the trend of this development so that the individual industries of practically all Continental European countries have been either coordinated and unified with those of Germany or have been removed or destroyed. Furthermore, plant and equipment suffered irreparable damage not only from actual war operations but also from lack of proper maintenance. After the war many industries will practically have to make a new start, and this offers an opportunity for placing the industrial plants of Europe on a sound economic basis.

If the restoration of Europe should be on a regional or federation basis, then in establishing industrial plants consideration should be given to the availability of raw material and labor. Furthermore, the concentration of industry in one section should be avoided in order not to give one country an economic preponderance over the rest of the Continent. Industrial superiority means potential military superiority, especially when concentrated industrial power happens to be under control of a traditionally war-minded nation. As a result of war developments the opportunity will arise for the first time for diversifying and integrating industries in Europe, thus eliminating duplication of plant and equipment and unnecessary competition which led to tariff wars and ultimately to economic and political conflicts. The paucity of capital will be an important factor in preventing duplication of plants.

The post-war process of industrialization of Europe should be guided by these objectives: (1) to render Europe interdependent economically and to remove competition employed in the thirties as a weapon for gaining political aims; (2) to coordinate industry with agriculture and existing raw materials in order to strike a proper balance between them.

(From "Some Aspects of Postwar Economic Reconstruction of Europe," issued by the Institute of International Finance of New York University, New York City.)

U. S. Dimes Now Legal Tender in El Salvador

In September, the Republic of El Salvador, by official decree, made United States 10-cent coins legal tender throughout the country. This step was taken, says the newspaper *La Prensa Gráfica*, to compensate for the growing scarcity of small change in El Salvador. In consequence of the war, supplies of small coins which El Salvador had ordered from abroad could not be obtained.

Dimes, from now on, will be legally accepted with a value of 25 centavos in the currency of El Salvador—in other words, while 10 dimes make a dollar 4 dimes will make a colon.

gold bonds an amount up to 20 percent of their time and sight deposits, Ecuadoran banks have been making the required fortnightly subscriptions. Up to August 15 three installment subscriptions had been made totaling 17,778 368 sucres.

These bonds are issued by the Central Bank under a decree of July 14, 1943. Subscriptions by commercial banks are made in fortnightly installments in such amounts that by the end of December 1943 the full amount representing the required subscriptions will have been subscribed. This device was adopted as a means of absorbing surplus funds held by banks, thereby tending to curb inflation.

The bonds bear interest at 3 percent per annum. In order to provide income with which to pay this interest, the Central Bank is authorized to purchase dollar exchange at 13.50 sucres per dollar instead of the former 13.70. The selling rate for dollars, however, remains unchanged at 14.10. Income from the increased spread between the buying and selling rates is to be credited to the Stabilization Fund, which is charged with responsibility for making interest payments. Any excess in such receipts will be added to the Fund.

Tariffs and Trade Controls

Period for Making Customs Declarations for Imports Extended.—The period of time during which imports into Ecuador must be declared either for consumption or warehousing has been extended from 8 to 15 days, according to an Executive decree appearing in the Ecuadoran press on September 16, 1943.

[Holders of "Preparing Shipments to Ecuador" may note this change on page 5.]

Eire

Economic Conditions

A development of economic importance was manifested in Eire in an official statement which revealed that, owing

to unfavorable weather conditions, the harvest would not come up to expectations, and that the total area planted to all crops in 1943 was less than in 1942.

The cereals acreage was considerably less than last year, and the yields of grain, particularly of wheat, were expected to show decreases as compared with the preceding year. Decreased wheat returns, it is stated, will necessitate the employment of Eire's limited shipping space to bring in supplies of this item to make up the deficit, and in all likelihood the Government will have to require the admixture of barley to wheat in order to provide sufficient breadstuffs to meet the country's requirements.

Should it become necessary to use barley for this purpose, the brewing industry, which is one of the leading industries of the country and has a large export trade, may face a serious economic set-back. Whisky distillers are also gravely concerned as to what portion of this year's barley crop will be available for distilling purposes. If the distilleries are forced to close, and if the breweries have to curtail production, there is likely to be an increase in unemployment as well as a significant decrease in Government revenue from excise taxes.

DAYLIGHT SAVING TIME TO CONTINUE

An Emergency Powers order, issued by the Government in September 1943, extends daylight saving time throughout the coming winter.

COST OF LIVING

The cost-of-living index number at mid-August 1943 was 284 (base July 1914=100), compared with 275 at mid-May 1943, with 250 for mid-August 1942, and with 228 for mid-August 1941.

Exchange and Finance

Limerick Corporation Loan.—The City of Limerick Corporation announced late in September its decision to float a loan for £755 000. The price of issue is £99 per 100 and it may be paid for by installments—£10 per 100 on application and £89 per 100 on October 25, 1943. The stock will bear interest at the rate of 3½ percent per annum from November 1, 1943, and will be redeemable at par on or at any time after November 1, 1956. The application list for the issue was opened at 10 a. m. on October 5, 1943, and was closed a few minutes thereafter, having been fully subscribed.

Transport and Communication

War-Risk Insurance Rates Reduced.—The Institute of London Underwriters has announced that beginning October 1, 1943, cargo war-risk insurance rates between Eire and Lisbon, Portugal, have been lowered from 6½ to 5 percent. It was also reported that New York marine underwriters announced that war-risk rates for shipments between the United States and the United Kingdom and Eire are to be reduced to 4 percent, the lowest rate since 1940.

France

Tariffs and Trade Controls

Several New Trade-Organization Committees or Sections Formed.—Trade-organization committees or sections have been formed in France for the chicory industry, sanitation industries, railway-maintenance enterprises, for Burgundy wines, sporting goods (reorganization), construction materials, and various other products, by orders published in the *Journal Officiel* (Vichy) during December 1942, according to *L'Exportateur Français* of January 8, 1943.

Special Sales Taxes Imposed on Specified Industries.—Special sales taxes were imposed in France, to cover administrative expenses of trade-organization committees for nonferrous metals and alloys, gasogene fuels, seeds and plants, preserved foods and starch products, by orders published in the *Journal Officiel* during December 1942, according to *L'Exportateur Français*, January 8 and 15, 1943.

Feedstuffs for Animals: Special Sales Tax Fixed.—A special tax of 1 percent ad valorem on sales of feedstuffs for animals in France during 1943, to cover administrative expenses of the General Organization Committee of Feedstuffs Industries, was fixed by an order of February 25, 1943, published in the *Journal Officiel* of May 8.

Export Declarations to Follow Import Nomenclature.—To facilitate comparison between import and export customs statistics, goods exported from France must be declared according to the specifications and units provided for import nomenclature, effective from January 1, 1943, according to a notice published in the *Journal Officiel* on December 30, 1942, reported in *L'Exportateur Français* of January 15, 1943.

French North Africa

Tariffs and Trade Controls

Wheat and Flour: Taxes, Premiums, and Regulation of Trade for 1943 Harvest in Morocco.—Price-equalization taxes and premiums, storage premiums, prices, rates of extraction, export standards of quality, and conditions of manufacture, sale, and use of hard and soft wheat and of wheat flour and semolina, have been fixed for the 1943 harvest in the French Zone of Morocco, by a number of orders of June 12 and 13, 1943, published in the *Bulletin Officiel* of June 15.

Haiti

Economic Conditions

Wholesale and retail trade in Haiti in August followed the usual slow pace characteristic of this time of the year, when business is awaiting the opening of the coffee and cocoa harvests. Les-

sened quantities of imports and difficulty in making replacements also contributed to the retarded trade movement, though sales of goods on hand were made at prices counterbalancing the reduced quantities offered. A healthy demand existed for the export crops—sugar, sisal, and bananas—and enhanced export values contributed strongly to the general prosperity of the trading community. St. Marc experienced the stimulus of larger banana shipments, and expanded activities in the regions of Cap-Haitien and Port-de-Paix give promise of increased banana exports. Gonaives' brisk food export traffic to the Bahamas continued at a satisfactory level. Trade in the shops of the south—Jacmel, Aux Cayes, and Jeremie—was slow, but merchants were enlarging their stocks in anticipation of sales during the coffee-harvesting season.

SHADA (Société Haitiano-Américaine de Développement Agricole) continued to provide a substantial background for retail commercial activities.

FOREIGN TRADE

Despite the smaller volume of imports, Haiti's foreign commerce in August was higher in import-export value than in the corresponding month in the past 15 years, and an increase of almost 100 percent was recorded above the foreign-trade value of August 1942. The most striking feature of this increased trade was the rise in export value, which was almost four times that for the same month in 1942; sugar shipments accounted for more than half of the total export value. The import value for the month increased 31 percent over that for the corresponding period last year.

The cumulative foreign trade covering the October to August period of the present fiscal year (1942-43), showed an increase of 30 percent in value over the same cumulative period of the preceding fiscal year (1941-42). Import value increased 19 percent and export value was 42 percent higher than in the same period of 1941-42, a sizable export balance being achieved as compared with an import balance in that period last year.

EXPORT COMMODITY TRENDS

August is normally a dull month for coffee exports, and none was exported. Sisal shipments were the largest since May. Exports of sugar were far above those for the corresponding month in 1942. Shipments of bananas were almost double the highest previous export figure in the past 12 months, and continued the trend toward recovery of this war casualty. Cocoa shipments declined.

The drain on Haitian rice supplies by exportation at bid-up prices continued in August, and, correspondingly, domestic prices continued to rise. This situation prevailed despite export restrictions.

SUGAR CONTRACT IS SIGNED

Under a purchase contract signed August 11, 1943, for raw sugar produced from 1943 and 1944 crops, the Commodity Credit Corporation and the Haitian-American Sugar Co. of Port-au-Prince agreed that Commodity Credit Corporation should purchase approximately 35,-

600 short tons from the 1943 crop and a minimum of 38,000 short tons from the 1944 crop at \$2.65 per 100 pounds f. o. b. Port-au-Prince, with the specific clause that such of this sugar as may be shipped to the United States shall be paid for at the rate of \$2.4625 per 100 pounds.

Exchange and Finance

Government Revenues.—Government revenues in August lagged markedly behind the increase in foreign-trade value. Customs revenues—the main item of Government revenues—actually declined slightly, and the month's total of fiscal revenues advanced less than 10 percent. This apparent anomaly of a 100-percent increase in foreign trade and a 10-percent increase in Government revenues was attributed to the high percentage of specific duties applicable to the customs regulations, the higher values of many commodities not being reflected in the duties collected. Although customs revenues dropped slightly, internal revenues, miscellaneous revenues, and the collections of the Internal Revenue Service all advanced above the income for August 1942.

India

Transport and Communication

Increased Carloadings.—Freight carloadings of the Indian railways were 0.32 percent higher on the broad-gage and 5.99 percent higher on the meter-gage railways in July 1943 than in the corresponding month in 1942.

From April 1 to July 31, 1943, carloadings increased 1.67 percent on the broad-gage and 6.03 percent on the meter-gage railways.

Kenya and Uganda

Economic Conditions

EAST AFRICAN INDUSTRIAL COUNCIL CONSTITUTED

An East African Industrial Council has been organized in Nairobi, Kenya, as a result of plans laid at the June Conference of East African Governors, according to the foreign press.

It is stated that the Council will consider questions of policy relating to the industrial development of the territories, with particular reference to the selection of industries to be developed and their location and financial arrangements.

Announcement that the Imperial Government has authorized the supply to East Africa of textile machinery was made at the initial meeting of the Council, according to the report.

Wartime Commodity Controls

New Body to Advise on Commodity Distribution in Kenya.—The Governor of Kenya has appointed a new Com-

modity Distribution Board under the chairmanship of a member of the Supply Board, according to the Kenya Gazette for June 15.

The duties and functions of the Board are to recommend to the Governor the areas for which it is considered desirable to appoint distribution boards and the personnel of such boards; to coordinate and direct the activities of such boards in accordance with the policies of the East African Production and Supply Council; and to advise the Governor regarding the scheduling of controlled commodities. Statistical data in connection with consumers' requirements are to be collected by the Board which also recommends necessary measures to insure the fair and orderly distribution of essential commodities.

The other personnel of the Board includes the Chief Native Commissioner, the Price Controller, and several other civil members.

Tariffs and Trade Controls

Invoices for Goods Subject to Ad Valorem Duty Must Show War-Risk Insurance Rates.—War-risk insurance rates were stated by the Commissioner of Customs, Uganda and Kenya, to be as follows, effective from July 26, 1943, ac-

New Management for K. L. M. Air Lines

The Netherlands Commission for Public Relations in Wartime decided recently to relieve the K. N. I. L. M. (Royal Netherlands Indies Air Lines) of control of the K. L. M. (Royal Dutch Air Lines) and return the management of the service to London, and, eventually, to Holland itself. Since the invasion of the Netherlands the K. L. M. had been controlled first from Batavia, Java, and then from New York.

The announcement stated that, simultaneously with its decision, the Commission appointed five Netherlands living in London as members of the new control board for the K. L. M. and ruled that the powers of the board of directors of the K. L. M. be vested in Netherlands living in London and chosen by the Commission.

It had become increasingly difficult to look after the interests of Netherlands air transport under the existing arrangement whereby the Dutch Government, on the one hand, and the controlling and managing bodies of the company (established in New York) on the other, were so widely separated. The Government therefore considered it urgently necessary to put the K. L. M. under a controlling body established in London where preparatory measures for its return to the Netherlands must be taken.

Export-Import Bank Commitments in Other Americas Total Over Billion Dollars

Since 1941 the chief activities of the United States Export-Import Bank have been concerned with promoting inter-American trade and development of the Western Hemisphere.

In aiding Latin-American republics by loans to national development commissions for improvement of road and rail transportation systems, the Export-Import Bank has facilitated delivery of strategic materials to the United States, and also has laid the basis for expanded post-war commerce throughout the hemisphere, says the Office of the Coordinator of Inter-American Affairs.

A smaller part of the bank's credits has been devoted to the purchase of United States products essential to the economic life of the Latin-American republics.

Among the bank's more important commitments in 1942 were those in connection with the rehabilitation of the Victorias-Minas Railroad and the development of high-grade iron in Brazil.

Similarly, in Mexico, a small but strategically located steel plant was erected from the bank's loans. Other loans were made in various Latin-American countries to speed the output of vital strategic metals and minerals.

From the time of its creation to the end of 1942 the bank has authorized commitments aggregating some \$1,100,000,000, of which \$264,000,000 was loaned in 1942, according to the annual report appearing in 1943. Of the total, about \$300,000,000 were canceled subsequently either because the applicants found they did not require the facilities, or arranged to obtain the necessary credits from private sources. Actual disbursements have amounted to only \$337,000,000, of which early \$300,000,000 has been repaid. Disbursements would have been much greater if Latin-American beneficiaries had been able to receive from the United States all the goods and materials that they wanted, but which the over-all war effort has circumscribed.

The annual report of the Export-Import Bank also indicates that a novel feature, inaugurated in 1942, was a service through which the bank assumes responsibility for the delivery of export goods to their destination within 4 months from the date the goods are ready for shipment in the United States.

This new service, it is pointed out, helps American exporters keep open their established trade channels in spite of wartime shipping difficulties.

cording to a notice in the Uganda Gazette of August 31:

Mombasa, to or from:	Percent
North and Central America—Atlantic and Pacific ports via Cape-----	8
South America—Atlantic and Pacific Ports-----	10
South America—Pacific Coast via Magellan-----	9

The notice points out that for the assessment of customs duty, it is necessary that insurance charges, including war-risk insurance, appear on invoices of goods liable to ad valorem duty. If an invoice does not contain a statement of war-risk insurance or a certification that such insurance has not been effected, then the above rates will be applied.

Export of Sugar From Uganda Subject to License.—Exportation of sugar, sirup, and jaggery from Uganda has been prohibited except under license by the Sugar Controller, according to a notice appearing in the Uganda Gazette, September 15.

Nigeria

Economic Conditions

PLANS FOR POST-WAR DEVELOPMENT

A Nigerian Advisory Committee on Economic Development and Social Welfare was established recently to deal with internal development and post-war planning. Its work consists of placement of discharged soldiers, planning economic

development and social welfare, and preparation of a program of post-war reconstruction for the Nigerian Government. The work of this Committee is being supplemented by provincial committees.

Employment exchanges are being set up at which discharged soldiers will be registered, thus bringing job seekers into contact with available employment. A census is being taken of the number and kinds of employees which will be required in an expanding governmental program of works and services. Provision is made with a view to the proper utilization and conservation of natural resources, the use of improved methods of agriculture, and for land settlement schemes by which ex-soldiers who wish to make farming their occupation will be enabled to do so. Those who wish to continue their education or training (possibly begun in the Army) in order to qualify in some work or trade are expected to receive assistance.

The Committee also has under consideration the economic development of livestock and livestock-products industries. Meat, milk, butter, and cheese are of great value to Nigeria, both from nutritional and trade standpoints. Hides and skins are important trade products.

The matter of internal improvements, along the lines of telegraphs and telephone extensions, public buildings, roads, and housing schemes, for Government employees is being investigated with a

view to possible incorporation into the post-war reconstruction program.

MEETING OF TRADES UNION CONGRESS

The first session of the Nigerian Trades Union Congress was held in Lagos from July 31 to August 2, 1943. The aims of the Congress are reported to be as follows:

To unite all Nigerian trades unions into one organized body.

To improve the conditions of labor.

To effect cooperation between and mutual regard for members of the trades unions.

To protect the legal status and rights of trades union organizations.

To secure the nationalization of public undertakings, such as timber, railway, transport, and mines.

The Congress decided not to collaborate with any bodies other than the member unions.

Paraguay

Economic Conditions

The economic condition of Paraguay during the months of August and September was favorable. Commercial activity was well maintained, funds were abundant, credits liberal, and collections prompt. There have been varying estimates as to the increase in the cost of living during the past 2 years, the upward trend probably not having exceeded 25 percent so far as domestic industries and their products are concerned, but prices of many imported commodities have risen much more and these values have tended to encourage generally higher prices.

The agricultural outlook is reported only fair as the country is still in need of rain, and much of the planting was delayed. As a result of the successful 1943 cotton harvest, it seems fairly certain that an increased area possibly reaching a total of 60,000 hectares will be planted for the new season. It is anticipated that renewed emphasis will also be placed upon vegetable-oil crops, particularly peanuts.

Prospects for the tobacco crop were poor and the Government estimated that the 1943 sugar production could not exceed 9,000 tons, approximately 1,000 tons less than the estimated normal annual consumption.

While the record of the frigorificos for the 1943 season was satisfactory and the conclusion of a contract between the British Ministry of Food and the Argentine exporters was a stimulant to the local interests, the outlook for the new year was doubtful. The grazing areas were deteriorating and the condition of the cattle was relatively poor. The meat-packing season will start about February, but unless there is an improvement in grazing conditions, the number of cattle available for the new season will be considerably under this year's figure and the condition of the animals will be poorer.

One of the standard measures of the economic tempo of the country is the statistical record of the Paraguay Central Railway. So far this year the railway's business has approached record

proportions, this trend being in part a reflection of the reduced motor transportation resulting from the gasoline shortage. Nevertheless, it is encouraging to note that the commercial activity of the country is being maintained at a satisfactory level.

Decree law No. 620, authorizing the establishment of minimum wages for workers throughout the Republic was promulgated October 4, 1943. A further regulatory law will be promulgated in due course and it is expected that this latter legislation will embrace specific details regarding the graduated scale of wages which are to be paid in accordance with the conditions established in decree law No. 620.

St. Helena

Tariffs and Trade Controls

Imports Subject to License.—A revised list of commodities the importation of which into St. Helena is prohibited, except under license, was published this year. The restriction applies to all articles and products from non-British Empire areas whose currency is based on the pound sterling and an extensive list of products from other sources.

Southern Rhodesia

Transport and Communication

Rhodesian Railways Ended Year With Surplus.—The operation of the Rhodesia Railways, Ltd., for the year ended Sep-

tember 30, 1942, resulted in a surplus of £2,557,000, according to the recently published annual report of the company.

Gross revenue amounted to £6,003,000 and working expenditure to £3,446,000.

Net profit amounted to £399,000. Higher taxation caused a decrease of 53.4 percent from the net profit of £855,000 made in 1941.

A press report states that in comparison with pre-war figures (year not mentioned), passenger traffic increased 31 percent, goods carried by 39 percent, and net ton-miles by 32 percent.

For the first 8 months of the railway's present financial year (October to May) gross revenue reached £3,930,000 and working expenditure, including provision for depreciation and renewals, £2,177,000.

Spain

Transport and Communication

New Railway Link Inaugurated.—A new broad-gauge railway link was inaugurated this year in Spain between Cuatro Vientos and Carabanchel, states a foreign transportation publication.

Syria and Lebanon

Tariffs and Trade Controls

Reorganization of Service of Supply Canceled.—Order No. 20/LR of February 1, 1941, which provided for a reorganization of the Service of Supply of Syria and Lebanon, has been canceled by order No. 296/FC of July 19, 1943, published in the Bulletin Officiel of July 31.

[FOREIGN COMMERCE WEEKLY of July 19, 1941, published a summary of the canceled order.]

"Spavined Spanish" Does Not Help Business

FOREIGN COMMERCE WEEKLY, convinced that the correct and skillful use of the languages of our foreign customers and suppliers is a factor most vitally important to success in foreign trade, is moved to reproduce here several paragraphs from an article by Willis Knapp Jones published recently by the magazine *The Inter-American*:

"The Latins," says Mr. Jones, "have developed an uncanny ability to recognize their language in spite of distortion and mispronunciation. Possibly their courteous attempts to understand gringo Spanish is the foundation for the tradition of Latin politeness. There was the pretty American girl, for example, who entered a second-hand store to buy salt cellars (*saleros*). She announced she was looking for *solteros* (bachelors). Later she entered a grocery store and asked brightly: '*Es Usted grocero?*' *Grocero* means not 'grocer' but 'ill-bred.'"

"I heard a North American social director tell some Peruvian children to put themselves in their 'socks' (*medias*), instead of in the middle (*medio*) of the circle. Another gringo, confusing the gender of this same pair, exhorted his hearers to clean up the city by whatever socks they had at hand. * * *

"There was a North American señorita was thought *ropa* means 'rope' when it really means 'clothes.' Mounting a horse tied to a fence, she asked a bystander to take off her *ropa*. * * *

"A source of endless amusement to the Latins," Mr. Jones notes, "is the attempt by gringos to coin words by combining a couple of nouns. If ever the whole is not equal to the sum of its parts, this is the place. One would-be purchaser asked for a *metro de pulgas*, which means '39 inches of fleas,' but that was clue enough for the storekeeper; he deduced that the gringo means *pulgadas* (inches) and produced a yardstick.

"Another coinage that turned out counterfeit was meant to be 'corn starch,' a word that did not appear in the gringo's dictionary—so he put together *almidón de callos*. Unfortunately *callos* is the sort of corn that requires cornplasters."

These examples from "The Inter-American" are funny—but such blunders don't help business.

News by COMMODITIES

Beverages

WINE PRODUCTION, HUNGARY

Wine production in Hungary was expected to reach from 4,000,000 to 5,000,000 hectoliters (1 hectoliter=26.413 gallons) this year, but as a result of the drought it probably will yield only 2,500,000 hectoliters, according to the foreign press.

Chemicals

MAGNESIUM AND CALCIUM SULFATES TO BE PRODUCED IN BRAZIL

A company (Industria Química Iguaçu, Ltd.) recently organized in Brazil, will produce magnesium and calcium sulfates from its dolomite reserves near Curitiba, the foreign press reports.

Monthly output of magnesium sulfate is expected to total 30,000 kilograms.

SALT TESTED FOR FERTILIZER IN U. K.

Agricultural-research stations and farms in the United Kingdom are testing common salt as a fertilizer for sugar beets, a British chemical journal states.

More sugar reportedly has been obtained by using 5 hundredweight of sodium chloride than by applying 2.5 hundredweight of potassium chloride.

CARBON-BISULFIDE PRODUCTION IN CANADA

The carbon-bisulfide plant erected last year in Canada by Cornwall Chemicals,

Ltd. (an associate of Canadian Industries, Ltd.), attained satisfactory production in 1942, a British chemical publication reports.

The company's entire output was used for military purposes or in essential industries.

CHEMICAL LABORATORY UNDER CONSTRUCTION AT BOGOTÁ, COLOMBIA

A national chemical laboratory is being erected on the grounds of the National University at Bogotá, Colombia, the foreign press reports.

The buildings will cost about \$325,000. It is planned to install several pilot plants later.

GLYCERIN PRODUCTION, MEXICO

A high percentage of Mexico's present glycerin production is of the chemically pure type which is unsuitable for the manufacture of dynamite. Producers are free, it is reported, to choose between distillation to chemically pure or to dynamite glycerin, and the price of the former is appreciably higher.

SOUTHERN RHODESIA EXPECTS TO INCREASE GLYCERIN PRODUCTION

Small quantities of glycerin have been made for some time in Southern Rhodesia, using waste soap materials, but it is expected that production will increase soon.

A new plant is now in operation, the foreign press reports, and the erection of an additional plant has been proposed.

Coal and Coke

CANADIAN PRODUCTION INCREASED IN JULY

Coal production in Canada in the first 7 months of 1943 is officially reported at 10,162,000 tons. Production of 1,366,000 tons in July represented an increase over the 1,347,000 tons reported for June.

Coke production totaled 1,878,000 tons, output in July increasing to 308,000 tons from 266,000 in June.

INCREASED OUTPUT IN U. K.

Output of salable coal in the United Kingdom during the 4 weeks ended September 4, 1943, averaged 3,767,800 tons a week. This represents a considerable increase over the weekly average of 3,097,800 for the previous 4-week period, when output was affected by the August bank holiday.

Construction (Including Highway)

AFGHANISTAN'S CONTEMPLATED CONSTRUCTION

The Government of Afghanistan has under consideration a public-works construction program calling for the expenditure of \$76,000,000. This includes \$36,000,000 for irrigation projects, \$20,000,000 for road improvement, and \$20,000,000 for housing.

Only 17 percent of the arable land of the country is cultivated at this time, it is claimed. One foreign agronomist believes this area might be increased from 15 to 20 percent by irrigation projects, making an additional 10,000 square miles productive, and that a further 30 percent might be made available for crops through more thorough use of the non-irrigated highlands. Among the rivers which could be used for irrigation purposes are the Kokcha, Kunduz, and Murghab in the north, the Hari in the west, the Helmand in the south, and the Kabul in the east.

The possibility of shutting off the flow of waters from adjacent countries is a serious problem. For example, if the flow of the Kokcha and Kunduz Rivers were reduced, the arable area in Soviet Turkestan would be lessened and diversion of water from the Helmand River would affect wheat lands in Iranian (Persian) Seistan.

Reconstruction of the Jalalabad Canal in the fertile Jalalabad Province is being considered. It is estimated that this project would cost from \$3,000,000 to \$4,000,000.

In Kabul Province there are at least six dams which are partly constructed but which require redesigning before completion. A new project is the Tangi

Food Crops from U. S. Found Suitable for Tropics

Several food crops introduced from the United States for experimental work at the new Inter-American Institute of Agricultural Sciences in Costa Rica have been found adapted to cultivation in Central America.

Among the most promising are cabbage, collards, Carolina pole and Henderson bush lima beans, Florida runner peanuts, edible soybeans, rice beans (related to the cowpea) for cover crops and stock feed, and grapes (new types derived in part from tropical and subtropical wild species.)

This has been announced by Dr. Earl N. Bressman, director of the Institute, which is cooperating in the inter-American food-growing program. Most of the Central American republics, in collaboration with the Institute of Inter-American Affairs, Washington, are striving to increase food production for local consumption and for shipment to nearby defense areas which have food-supply problems.

Several hundred varieties of vegetables and staple food plants are being cultivated by the Institute in Costa Rica as part of its research work for improvement of food crops.

In charge of vegetables and special crop research at Turrialba, site of the Institute in Costa Rica, is Joseph Fennell, formerly with the United States agricultural experiment station in Puerto Rico.

Many of the types of beans, peas, peanuts, carrots, cabbage, tomatoes, and other plants were obtained for the experiments from farmers in southern areas of the United States which have growing conditions somewhat comparable to those in Central America.

With abundant sunshine and rain, the Central American republics are considered well suited for introduction of many food crops which have been cultivated successfully in the South of the United States.

Saidon dam to impound flood waters of the Kabul River. The estimated cost of the program for this Province is from \$10,000,000 to \$12,000,000.

Other contemplated projects include the rebuilding of old canals and the construction of new ones to irrigate an area of approximately 500,000 acres in the Munduz River Valley, and completion of the Girishk Canal in the Province of Kandahar to control the Helmand River.

Construction of a new town near Kabul, to house the capitol, is also reported to be under consideration by the Government.

The proposed site is at Dar-el-Ranoon, south of the present town. Preliminary plans call for an expenditure of \$20,000,000.

CONTEMPLATED HIGHWAY CONSTRUCTION IN ARGENTINA

More than 3,000,000 pesos have been earmarked for the improvement and construction of highways in Argentina, according to a recent announcement.

For the 37-mile sector on route 234 between Comandante Cordero and the junction with route 40 in the Territory of Neuquen, the sum of 351,400 pesos has been set aside. This road will provide transportation facilities for coal mined in that area.

Surfacing of the 12 miles between Puente Neuquen and Plottier, and basic riprapping work on the stretch between Junin de los Andes and Rio Chimehuin, will cost 696,370 and 42,203 pesos, respectively.

The budget provides 924,875 pesos for basic work and paving on the 20-mile strip on route 9 between La Abrita and Loreto, Province of Santiago del Estero, a part of the Pan American Highway system.

A portion of the national highway between Chascomus and Lezama, in the Province of Buenos Aires, will be improved at an estimated cost of 651,732 pesos. Similar improvements to cost 146,925 pesos are projected for route 197 between Pacheco and J. C. Paz and a strip between kilometer 14 and San Isidro on the Avenida General Paz which circles the Federal capital.

The sum of 83,768 pesos has been allocated for improvements on the approach to the city of San Juan on route 40; 32 miles between Tecka and Barrancas in the Territory of Chubut will cost approximately 204,119 pesos.

RAILWAY CONSTRUCTION AUTHORIZED BY GOVERNMENT OF BOLIVIA

Authorization has been made by the Government of Bolivia to commence construction work on the section of the Cochabamba-Santa Cruz Railway between Santa Cruz and Jose de Chiquitos.

RECHANNELIZATION OF RIVER IN BOLIVIA URGED

The total cost of diverting the Rocha River in Bolivia into a new channel is estimated at 5,000,000 bolivianos. Work has been suspended pending further study of the project, but engineers are urging early resumption of construction work as heavy seasonal rains might cause the city of Cochabamba to be flooded.

Paraguay to Improve Livestock for Home Food Needs

Paraguay has set aside a 25,000-acre ranch in the rich grazing country of the Misiones, south of Asuncion, as part of a broad plan designed to improve cattle breeds and increase food production.

This is the word brought to Washington by John R. Camp, director of the Servicio Técnico Inter-Americano de Cooperación Agrícola (STICA), an agency set up within the Paraguayan Ministry of Agriculture to carry on a food-expansion program with the cooperation of the Institute of Inter-American Affairs, an agency of the Office of the Coordinator of Inter-American Affairs.

When the Italian owner of the sizable ranch died and left no heirs in Paraguay, the big Barrerito property reverted to the Republic's Government. It was stocked already with 5,000 head of cattle, besides several hundred horses, mules, and sheep.

After the signing of the food agreement between the Institute and the Paraguayan Government, President Higinio Morinigo and the Ministry of Agriculture expressed a desire to turn the ranch over to STICA for the development of an improved breed of beef cattle, horses, and mules.

The 5,000 cattle on the ranch when the Government took title to it were of the native Creole types, mixtures of other strains, such as short-horn and Hereford. They had been fed on grass, with no supplemental feeding to improve the grade of the meat.

With the project now under way, the ranch operators plan to segregate the cattle. Fenced-in sections of range land will keep the cattle of predominating breeds from mixing with the others. The plan then calls for the introduction of Hereford, Angus, and certain other acclimatized breeds to the herds. The old cattle and the cattle with poor form will be eliminated entirely.

Another phase of the program is a seeding experiment, designed to raise the best grasses, as well as legumes and other supplemental feeds for the cattle.

Boys with a liking for ranch life will be trained to act as ranch hands before getting other assignments. Some may be sent abroad for special study before returning to introduce new methods into other ranching areas of the republic.

As the program advances, it is the plan of STICA to turn profits from sales back into the ranch for further experiment and development work, and to invite other ranchers to watch the progress.

DAM CONSTRUCTED IN BOLIVIA

The Angostura Dam, constructed near Cochabamba, Bolivia, to provide irrigation for the Cochabamba Valley, is reported completed, except for the flood-gates.

FUNDS ALLOCATED TO BRING WATER TO SUCRE, BOLIVIA

The funds allocated for construction of an aqueduct to bring drinking water from Ravelo to Sucre, Bolivia, have been increased to 24,000,000 bolivianos. A loan of 12,000,000 bolivianos was granted by the Government to the city of Sucre in January 1940.

DAM UNDER CONSTRUCTION IN BULGARIA

The dam under construction on the Beli Isker River in the Rila Mountains about 55 miles from Sofia, Bulgaria, will be part of the water system which supplies the capital.

The lake formed will be approximately 1.86 miles in length with a capacity of 15,300,000 cubic meters (4,051,440,000 gallons) of water. The electrical installations now in place will be capable

of generating 50,000,000 kilowatt-hours of electric energy annually. Another installation is planned to produce an additional 20,000,000 kilowatt-hours annually.

More than 200 men are now working to complete at least three-quarters of the construction work on the dam by the end of the present construction season. The project is expected to be completed in 1944.

POST-WAR HIGHWAY PROGRAM IN BRITISH COLUMBIA, CANADA

British Columbia is planning an extensive post-war highway program of 6,000 miles at an estimated cost of \$210,000,000, states a foreign publication. An express highway between Vancouver City and New Westminster is estimated to cost more than \$11,000,000.

Other projects, as outlined by the British Columbia Highway Board will provide three direct outlets to the Pacific Ocean.

COMPLETION OF ECUADORIAN HIGHWAY REPORTED

Completion of the highway between Banos and Mera, Ecuador, a distance of 162 miles, is reported by the South American press.

COMPLETION OF ECUADORIAN HIGHWAY

Construction activity in New Zealand increased in July. The value of all building permits issued totaled £NZ658,540, or an increase of 303.1 percent, compared

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with £NZ163,362 recorded in July 1942. Dwellings included in the July 1943 permits numbered 168, compared with 39 for the corresponding period in 1942.

Electrical Machinery and Equipment

CANADIAN POWER PRODUCTION AND CONSUMPTION

Central electric stations in Canada produced 3,404,077,000 kilowatt-hours in July. This was slightly lower than output in May and June (3,502,819,000 and 3,355,032,000 kilowatt-hours, respectively), but higher than that of July 1942 (2,965,655,000 kilowatt-hours).

Net provincial consumption in July 1943 amounted to 3,161,745,000 kilowatt-hours, compared with 2,769,828,000 kilowatt-hours in July 1942. The following table shows consumption, by provinces, in these 2 periods.

[In kilowatt-hours]

Province	July 1942	July 1943
Prince Edward Island.....	660,000	721,000
Nova Scotia.....	35,530,000	47,479,000
New Brunswick.....	38,563,000	46,291,000
Quebec.....	1,312,414,000	1,654,064,000
Ontario.....	991,139,000	984,514,000
Manitoba.....	100,570,000	117,957,000
Saskatchewan.....	50,286,000	52,250,000
Alberta.....	35,926,000	41,758,000
British Columbia.....	204,740,000	216,671,000
Total.....	2,769,828,000	3,161,745,000

SIGNAL-EQUIPMENT MANUFACTURES INCREASE, CANADA

The manufacture of electric signal equipment in Canada has increased tremendously since the outbreak of the war, the foreign press says. The value of peacetime production was about \$15,000,000. By 1941, this had grown to \$35,000,000 and by 1942 to \$100,000,000. It is predicted that 1943 production will reach \$250,000,00—an increase of 1,600 percent over the 1939 total.

All domestic needs are now being supplied and, in addition, equipment is being shipped to a number of other countries, including New Zealand, Australia, India, the Soviet Union, and Great Britain.

IMPROVED POWER SITUATION IN EIRE

Restrictions on the consumption of electricity in Eire were removed September 24. The power situation has improved as a result of the River Shannon's favorable water level.

PANAMANIAN FIRM TO PURCHASE GOVERNMENT-OWNED PLANTS

La Panama Eléctrica, S. A., has arranged to purchase 16 electric-light plants now owned by the Government. All the plants are located in interior towns, the most important being in David, Anton, Arraijan, Bocas del Toro, Pacora, Otoque, Nargana, Cermeno, Ocu, Coiba, and Chame.

NEW ZEALAND'S IMPORTS INCREASE

Electrical machinery imported by New Zealand from January 1 through May 31, 1943, was valued at £NZ986,393. This was a marked increase compared with the corresponding period of 1942, when similar imports were valued at £NZ633,024.

Essential Oils

PANAMANIAN LEMONGRASS PRODUCTION

Lemongrass, which grows in scattered clumps, is raised by natives of David, Panama, according to a botanical authority of that country. About 100 tons of this commodity might be obtained yearly; there are no local distillation facilities, however.

Foodstuffs and Allied Products

Coffee and Cocoa

ESTIMATED COCOA CROP, TRINIDAD AND TOBAGO (B. W. I.)

The 1942-43 cocoa crop in Trinidad and Tobago is estimated at from 7,000,000 to 8,000,000 pounds, compared with an estimated 10,000,000 pounds in 1941-42, according to the foreign press.

ESTIMATED MEXICAN COFFEE CROP

The Mexican coffee crop in the 1942-43 season is estimated at from 750,000 to 1,200,000 bags of 60 kilograms each (1 kilogram=2.2046 pounds)—an increase over the estimated 700,000 to 800,000 bags in 1941-42.

Dairy Products

BUTTER AND CHEESE PRODUCTION, ONTARIO, CANADA

Creamery-butter production in Ontario, Canada, for the first 7 months of 1943 totaled 51,136,000 pounds, or 6.7 percent more than the 47,921,000 pounds produced during the corresponding period of 1942.

Cheese showed a decline of 23.6 percent—from 72,079,000 pounds in the first 7 months of 1942 to 55,061,000 pounds in the corresponding period of 1943.

Creamery-butter stocks in Toronto warehouses amounted to 5,064,000 pounds in August 1, 1943, compared with 4,009,000 pounds on July 1, 1943, and 4,521,000 pounds on August 1, 1942.

Cheese stocks showed a marked decline both at factories and in Toronto warehouses.

Fruits and Nuts

AFGHANISTAN'S EXPORTS OF NUTS

Pistachio nuts, shelled and unshelled, are important items of export from Afghanistan. It is stated by exporters that about 3,000,000 pounds of shelled and unshelled pistachios can be exported annually. In addition, about 2,000 pounds of pistachio galls, suitable for dyeing and tanning, are available. India purchases a large proportion of Afghan production.

Almonds, walnuts, and peanuts, both shelled and unshelled, are available in Afghanistan in considerable quantities. They too are generally exported to India.

FRUIT PRESERVATION IN AFGHANISTAN

Afghanistan has one fruit-preserving factory located at Kandahar. Its monthly production rate reportedly is

Industrial Uses of Alligators Studied by Floating Marine Laboratory

Even the alligators are going to war in Mexico, but they are going in a scientific and systematic way, says the Office of the Coordinator of Inter-American Affairs. A tiny floating laboratory of the Mexican Bureau of Fisheries and Allied Industries has been sent to the southern river port of Suchiate, in the State of Chiapas, to make a thorough study of the habits and possible industrial application of the saurians.

The laboratory will devote itself to research on the breeding and feeding habits of the huge reptiles and will select specimens for distribution in other parts of the country where the species is almost extinct. Another of its tasks will be to find new industrial applications for the beasts.

Alligator skins have long been used in high-grade leather work throughout the world, but the reptiles are economically valuable in other ways as well. The long tail of the alligator contains meat which is valued as a highly nutritional delicacy in many parts of America. Alligator oil has been found ideal for lubrication purposes in precision machinery, and in South America alligators are prized as a means of controlling certain parasites fatal to cattle and humans.

Directing the work of the station is Dr. Angel Martin de Lucenay, a biologist from the Bureau of Fisheries. And the ample facilities of the experimental station are all that Dr. de Lucenay and his colleagues could desire. In the course of its work, the station has come upon many little-known and hitherto uncatalogued species of fish and crustaceans with a high food or industrial value, which are being classified.

The Central Station for Alligator Research, suggested by Mexican Secretary of the Navy Heriberto Jara, will be located in the Legarto Lagoons, about 2½ miles from Veracruz, on the Gulf Coast.

about 25,000 bottles (1 pound) of fruit preserves and jams, 10,000 bottles of sirups, and 5,000 pounds of hard candy.

The production rate depends principally on the amounts of sugar, jars, and cork that can be obtained from India, and present indications are that in the future these materials will be supplied in sufficient quantities to maintain the rates listed above.

About 90 percent of the factory's production is consumed within the country and the remainder is usually purchased by Indian importers.

RAISIN SITUATION IN IRAN

Iranian raisin production in the year ending March 20, 1944, will probably amount to about 35,000 metric tons, compared with 25,000 tons in the preceding year.

Although no reliable statistics are available, it is estimated that from 80 to 90 percent of the total output is now consumed in Iran. The rise in local consumption in the past 6 months can be explained by the loss of the German market, the ever-increasing use of raisins as a substitute for sugar in rural districts, and greater requirements of domestic distilleries.

In the 4 months ended March 21, 1943, exports of raisins from Iran totaled 487,207 kilograms (1 kilogram=2.2046 pounds). Since the new crop will enter the market about the last of November, stocks are now at a minimum. The trade estimates that stocks do not exceed 1,000 tons.

The domestic price of unpacked raisins is about 16 rials per kilogram, while the price of packed raisins reportedly is about 250 rials per case of 12 kilograms.

PALESTINE'S CITRUS-FRUIT INDUSTRY

For the past 50 years, or since the beginning of the industry in Palestine, citrus fruit has been the leading export commodity.

During the 15 years from 1898 to 1913, citrus-fruit exports amounted to 10,750,000 boxes, of which 76 percent went to the United Kingdom. At the end of World War I exports were resumed, and from 307,000 boxes exported in 1919-20, annual exports rose to 15,750,000 in 1938-39, of which 59.37 percent went to the United Kingdom.

The normal development of the industry has been interrupted by the war as practically all the usual markets are either cut off or closed. This has resulted in severe economic effects upon the farmers, and problems of adjustment and relief have occupied much of the attention of the Palestine Citrus Control Board, which was established by "Citrus Ordinance 1940." As a wartime measure, the Citrus Marketing Board was also set up by the Government for the purpose of controlling or regulating the marketing of citrus fruits grown in Palestine. These two Boards work together.

The 1942-43 citrus crop is estimated at 5,000,000 cases compared with 9,870,000 cases in the preceding year.

Under favorable conditions, the exportable crop of citrus fruit could amount to more than 20,000,000 boxes.



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SHIPS FOR VICTORY

Grain and Products

RICE MILL ESTABLISHED AT CONCEPCION, CHILE

A rice mill with a daily capacity of about 250 quintals has recently been installed in the Molina Santa Rosa, located in Concepcion, Chile.

This is the first mill of its kind in that area, and it is reported that as soon as machinery becomes available the capacity of the mill will be substantially increased.

The cultivation of rice in Chile extends as far south as Chillan, about 50 miles north of Concepcion. Rice from that area and also from somewhat farther north will be brought to the new mill.

The manager of the mill stated that he hoped to supply the local market with rice and to have an exportable surplus. Plans are also under way for the production of rice flakes and rice starch.

MEXICO'S ESTIMATED RICE CROP

Mexico's rice crop reportedly is progressing favorably, and production is estimated at 115,000 metric tons. This is a slight increase over the preceding year.

The trade is of the opinion that Mexico may be in a position to export from 20,000 to 25,000 tons from the forthcoming crop. It is possible, however, that domestic consumption may increase to the point that no exportable surplus will be available, particularly if corn and beans are scarce.

PERUVIAN RICE SITUATION

Rice was introduced into Peru from Spain about 1538, and since that time the area planted to the crop has increased gradually.

From 1919 to 1928, the area planted to rice in Peru averaged approximately

30,000 hectares (1 hectare=2.471 acres) annually. From 1929 to 1938, the area averaged 47,600 hectares annually, and in 1941 it was about 61,000 hectares distributed among the Departments as follows: Lambayeque, 40 percent; Libertad, 30 percent; Piura, 13 percent; Ancash, 6 percent; Arequipa, 5 percent; and the remaining 6 percent in small areas in other Departments.

Most of the rice produced in Peru is grown under the basin system of irrigation, ridges being made around the paddies preparatory to receiving irrigation water. Plows, tractors, and other modern implements are used in preparing the soil on large plantations in the river valleys along the coast, but primitive methods are still used on small patches.

Formerly, most of the rice on the large plantations was broadcast and covered with a disk harrow, but it is now planted in beds and the seedlings transplanted to the field. Most varieties require 120 days from the time of planting to the time of heading and from 40 to 60 days from heading to maturity.

Most of the rice is harvested with a "hoz" or sickle, as it was done more than a hundred years ago. Though threshing machines are used on the large plantations, a number of the small growers still thresh with treading animals.

Modern hullers, polishers, and graders are used in preparing the rice for market. One hundred pounds of unhulled rice yields about 66 pounds of whole and cracked rice; 3 pounds of nelen or finely broken rice; 6 pounds of polvillo or dust; and 25 pounds of hulls. The whole and broken rice is graded and sold for human consumption; the polvillo is sold as feed for livestock, especially pigs.

There are approximately 60 rice-hulling machines in the country, most of

Diversity of Uses for Babassú Oil

The magazine *Agriculture in the Americas*, published by the U. S. Department of Agriculture, cites in a recent article the numerous and varied uses that have been found for the fine oil (about 60 percent by weight) which can be expressed from the kernels of South America's babassú nuts. Most important to the Allied Nations just now, says the *Agriculture* periodical, is the oil's usefulness in soap making as a substitute for coconut oil, now unobtainable in sufficient quantities because of the war. Babassú oil closely resembles coconut oil and makes a whiter, more brittle soap.

It has probably already spared each of us the inconvenience of a soap shortage, for of the 10,000,000,000 pounds of fats and oils used in the United States every year some 20 percent has been poured into the soap vats. With shipments of palm oil and coconut oil from the East Indies, the Belgian Congo, and the Philippine Islands cut off or curtailed, some substitute had to be found, for the middle of 1942 found United States supplies of soap oils and fats from regular sources reduced by one-third.

Babassú oil is also utilized in the manufacture of bullet-proof glass, and certain other parts of the babassú nut and byproducts are usable in the manufacture of explosives. Babassú is valuable in the preparation of cooking oil and of margarine.

In addition, the oil, as a light lubricant, is assertedly superior to cottonseed oil, in that it does not attack bronze. Furthermore, it has been found to be almost as good as petroleum fuels in the operation of Diesel engines and is adaptable for use in certain other internal-combustion engines for the operation of tractors and automobiles—a fact (notes *Agriculture in the Americas*) of interest not only to petroleum-thirsty Brazil but to the United States as well.

which are in the Departments of Lambayeque, La Libertad, and Piura.

Annual production of rice in Peru from 1919 to 1928 was approximately 31,000 metric tons. During the following 10-year period, from 1929 to 1938, annual production was approximately 58,000 tons, and in 1940 it rose to about 80,000 tons. The yields have fluctuated from year to year, ranging from 1,470 to 2,500 kilograms of unhulled rice per hectare which is equivalent to 1,300 to 2,250 pounds per acre.

The consumption of rice has increased considerably during the past 20 years.

In 1928 it was about 67,000 metric tons. In 1931 it rose to 73,000 tons, dropped back to 56,000 tons in 1934, and reached approximately 85,000 tons in 1940.

Under favorable economic conditions, all the rice needed for domestic consumption could be produced in Peru. In 1914, at the beginning of World War I, importation of rice into Peru was prohibited, the Government assuming that this action would stimulate production. The desired results were not achieved, however, and imports again were permitted. In recent years, Peru has imported rice principally from Ecuador.

In 1940, about 30,000 metric tons of hulled rice were received.

In 1932-33, and again in 1941-42, rice was exported from Peru. In 1932 the amount exported aggregated 1,051 metric tons and in 1942, 3,800 tons, of which 1,700 tons went to Bolivia and an equal amount to Cuba.

Rice production in Peru is subject to wide fluctuations caused by such factors as legislation, competition for land area for cotton and sugarcane production, availability of irrigation water, and insect damage.

From the standpoint of soil and climate, the area in the coastal valleys suitable for rice production could be expanded not only to supply domestic needs but also to provide a large surplus for export. In addition to the land now cultivated to rice, it could be grown on many areas now planted to cotton and sugarcane where sufficient water for irrigation is available. The principal economic factor involved is the low net return of rice, in comparison with cotton and sugarcane. In recent years cotton has been the most profitable of the three crops and consequently has commanded first priority on land.

INCREASED WHEAT PRODUCTION ENCOURAGED BY PERUVIAN GOVERNMENT

The Government of Peru has since 1929 actively supported a program designed to encourage greater production of wheat and lessen the country's dependence on imports.

In 1940 the acreage seeded to wheat was 135,181 hectares which produced approximately 100,000 metric tons. Consumption of wheat and flour in that year was the equivalent of 240,000 tons of wheat, of which 42 percent was domestic and 58 percent was imported. Argentina supplied the bulk of the imports while small shipments were received from the United States and Chile. Imports in 1942 were 109,622 tons, with Argentina as the source of 102,083 tons, Canada 7,509, Chile 24, and the United States 10. This year shipments have been received from Australia.

All wheat grown in Peru is consumed in the country. According to some his-

torians wheat was introduced into Peru in 1538 by accident when a few grains, found in a cask of rice from Spain, were planted in a garden. Today it is cultivated throughout the Sierra region and in some isolated sections of the coastal valleys. In the Sierra most of it is grown on unirrigated patches on slopes of from 20 to 50 degrees, cultivated in the same primitive manner that it was several centuries ago. Llamas and burros carry much of the wheat to local mills. Only wheat grown near the highways and destined for mills along the coast is transported by trucks.

In its agricultural program the Government is attempting to promote the use of modern machinery. Growers are granted financial and technical assistance to induce them to increase their wheat acreage and improve the quality of their crops.

The Mentana variety, which came originally from Italy, is grown almost exclusively in the area of Arequipa and from it comes the greatest yield per acre. Fifty-one bushels per acre was reported for 1940.

Flour is milled throughout the wheat areas, principally by stone mills. Several roller mills are located in Lima and Arequipa. More than 1,500 tons of flour were imported in 1942. No bran is imported.

Meats and Products

ARGENTINE LARD PROSPECTS

Preliminary 1943 estimates place commercial production of lard in Argentina at 36,000 metric tons and, in the opinion of packers, there is an exportable surplus of about 29,000 tons. The production figure is based on the revised estimated commercial slaughter for 1943 of 3,225,000 head and a yield of slightly over 11 kilograms of lard per head. With an added possible 1,025,000 head from interior slaughterhouses and farms, hog slaughter would be about 35 percent greater than in 1942.

On the basis of estimated production during the remainder of 1943, packers estimate that the present quantity of 4,000 tons of unsold lard stocks in Argentina may be doubled by the end of this year. This figure, however, is qualified by the fact the United States may supply certain Central American and Caribbean countries, and the Argentine prospects of shipping space.

The outlook for lard production during the first half of 1944 is quite good. Commercial hog slaughter is expected to be about 1,700,000 head, as compared with 1,472,000 head during the corresponding period this year, and commercial lard production is estimated at 20,000 metric tons.

Poultry and Products

CHICK-HATCHERY OPERATIONS, NOVA SCOTIA, CANADA

Nova Scotia chick hatcheries, operating under the Dominion Hatchery Approval policy, reported 1,009,304 chicks hatched to June 15 this year. This is already well above the record made in the corresponding period of 1942 when

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981,135 chicks were hatched. Chick mortality in Nova Scotia has been normal and somewhat lighter than in 1942, despite unfavorable weather for brooding.

Two hatcheries in Cumberland County have hatched approximately 60,000 chicks. The mortality reported by customers in that vicinity has been less than 1 percent.

Sugars and Products

SUGAR PRODUCTION IN JAMAICA (B. W. I.)

Sugar production in Jamaica in the 1942-43 crop season amounted to 185,545 short tons, an increase of 11,200 tons over the 1941-42 output.

The sugar industry had a good year as weather conditions were favorable for the growth of the cane and the sucrose yield improved.

Preliminary estimates place the 1943-44 sugar crop at about 172,000 short tons. There has been a small decline in the area under cultivation, and some important producing regions are said to be suffering from a lack of moisture.

CANADIAN HONEY SITUATION

Despite a large increase in the number of apiaries, the Canadian honey crop is not expected to be any larger than last year, cool weather in the north and drought and rains in southern sections having kept the yields down. It is estimated at 24,000,000 pounds. Almost half of the crop was produced in the Prairie Provinces.

The value of last year's honey crop was \$3,500,000, an average return to the producer being 3.9 cents per pound, and beeswax averaged 45.6 cents per pound. Honey has now been rationed in Canada under fixed prices. The producers' ceiling price for extracted honey in bulk sold to consumers is 15½ cents per pound.

NEW INDUSTRY IN NORTHERN NIGERIA

Brown sugar is now being produced in the northern provinces of Nigeria, according to British sources. The output for last season, about 200 long tons, retailed at 3d. per pound. The Agricultural Department, which fostered the industry, bought most of the output for military use. The capacity of crushers which are now used is about 200 pounds of sugar a day per crusher, or about 12 long tons in the season (November to April).

Spices and Related Products

MEXICAN VANILLA-BEAN CROP

The Mexican 1943 vanilla-bean crop is estimated at about 200,000 pounds of cured beans.

The producing capacity of the vanilla district in Mexico is reported to be much above the prospective harvest. Unfavorable weather in the past 3 years has been the cause of small crops.

Mexican vanilla producers expected a decline in 1940, but a favorable growing season and forcing of the vines resulted in a crop of 465,325 pounds. The forcing in 1940, together with adverse weather

in 1941, resulted in production of only 116,784 pounds in that year. The 1942 crop was estimated at 176,485 pounds.

Because of extremely dry conditions this year vanilla beans were expected to ripen almost a month earlier than during normal years. The official opening date of the harvest is November 15, but dealers have requested officials of the Government to have the date changed to October 15.

Practically the entire crop of vanilla beans is exported.

Glass and Products

GLASS-INDUSTRY OPERATIONS, URUGUAY

Uruguay's glass industry has been operating on a one-shift basis, 5 days a week. In view of the industry's dependence on adequate supplies of fuel oil, and a recent 30-percent over-all cut in petroleum supplies, consideration is being given to the continuous operation of furnaces over a short period, so as to use to the best advantage such oil as is available, even at the risk of subsequent labor lay-offs.

Hardware

NEW ZEALAND'S IMPORTS

The New Zealand Customs Department has reported that hardware valued at £NZ9,512 was imported from the United States in June 1943, making a total of £NZ62,391 for the first 6 months of the year.

Iron and Steel

CANADIAN PRODUCTION INCREASES

Canadian pig-iron production is officially reported at 1,184,064 net tons in the period January to August 1943. In the same period, 141,757 net tons of ferro-alloys and 1,996,481 net tons of steel ingots and castings were produced.

Output of pig iron rose in August to 164,906 net tons from the 151,369 net tons reported for July. In August production of ferro-alloys dropped to 13,429 net tons from the 21,408 net tons produced in July; output of steel ingots and castings was reported at 246,820 net tons in August and 250,508 net tons in July.

The Dominion now ranks fourth in world production of steel, exceeded only by the United States, the Soviet Union, and Great Britain. By the end of 1943, production of steel ingots will be at a rate of more than 3,000,000 tons a year compared with 1,500,000 in 1939. Alloy-steel production is five times that of 1939.

Leather and Related Products

Leather and Manufactures

TECHNICAL SCHOOL OPENED IN ARGENTINA

A technical school was opened by Argentina's Shoe Industry Association in September, patterned somewhat along

the lines of the school now operating in the United States under sponsorship of the shoe industry.

At present there are two classes, each consisting of 40 students selected by examination. The 5-month course is divided into two sections: (1) basic shoe chemistry, mathematics, and language; and (2) leather working. Future courses will embrace the principles of design, foot structure, and the function of shoes.

Special lectures using slides and motion pictures are also held for foremen and other industry leaders and cover such subjects as safety devices and health conditions.

The school's building and equipment are said to be more than adequate; lighting, ventilation, and working conditions are excellent.

Hides and Skins

AFGHANISTAN'S CATTLE HIDES

Between 1,000 and 2,000 cattle hides are available for export in Afghanistan, according to official sources. They are raw and dried.

Lumber and Products

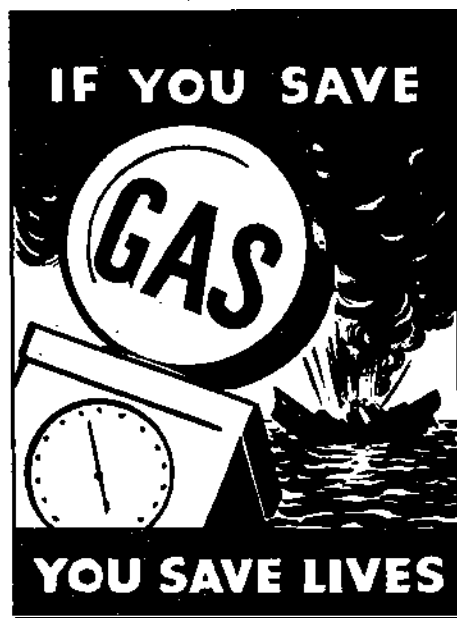
LUMBER SITUATION IN BRITISH COLUMBIA, CANADA

British Columbia's log scale for August reportedly was somewhat higher than in the corresponding month of 1942, but production has not increased sufficiently to improve to any extent stocks on the market or at the mills.

The regional timber controller has authorized the release of substantial quantities of lumber for local use in the repair and construction of homes.

AGREEMENT FORMED BY FINNISH GOVERNMENT AND TIMBER ASSOCIATIONS

The Finnish Government and the timber associations have formed an agree-





ment for the 1943-44 season, according to the European press.

The program is said to call for the production of 600,000 standards (1 standard=1,980 board feet)—350,000 standards for export and 250,000 for the domestic market.

DOMESTIC TIMBER USED IN SOUTHERN RHODESIA

Because of a considerable reduction in imports, domestic timber is being used in Southern Rhodesia for a number of purposes and has proved excellent in many cases, the African press reports.

It is expected that the lumber industry will be able to maintain and possibly expand its present production of box shooks, mining poles, transmission poles, sleepers, and lumber for other uses.

The lack of sawmill equipment has been serious, but new supplies may be received soon, it is stated.

SOUTH AFRICA'S SAWMILLING INDUSTRY

The sawmilling industry in the Union of South Africa has grown substantially since the war, states a foreign lumber journal.

A considerable gain is reported in both Government-owned and privately owned sawmills. There are now 12 State mills, with an annual capacity of more than 4,000,000 cubic feet of logs, in operation in various parts of the Union. Another plant is being established to handle principally hardwoods.

Because of wartime demand, the number of privately owned sawmills has also increased considerably—from 12 in 1938 to more than 100 at the present time. Many of these mills are small and serve local markets only, but several produce lumber for building purposes in wholesale quantities and have a large output of boxes for agricultural and industrial use.

Total capacity of the privately owned mills is not known at present; however, 31 of these sawmills reportedly have used about 6,500,000 cubic feet of sawlogs from State mills during the fiscal year

1941-42. Consumption is said to have been even larger during the preceding year.

DOMESTIC TIMBER PRODUCTION IN THE UNITED KINGDOM

Output of home-grown timber in the United Kingdom is being steadily maintained, a British trade journal reports.

Production in July exceeded the quota. Emphasis is now being placed on the need for improvement in the quality as well as the quantity of sawn wood.

It is not considered likely that production goals for 1944 will be increased and therefore mills may be able to give more attention to the quality of their output. Since the demand for lumber will be very heavy after the war, however, stocks should not be allowed to decrease, the report states.

DRYING KILNS ESTABLISHED IN NORTHERN IRELAND, U. K.

The Northern Ireland Ministry of Agriculture is establishing three drying kilns at Baronscourt, Ahorey, and Coleraine, the British press reports.

These kilns will use local timber for the manufacture of egg cases and thus aid in the Government's program for egg marketing and production. The

Ministry will operate one kiln and two will be leased to sawmill owners. It is estimated that they will cost approximately £13,000 during the current year. Work on two of the plants is nearing completion.

Machinery, Other Than Electrical

CANADIAN FARM-EQUIPMENT SALES

Domestic sales of farm implements and equipment to Canadian dealers totaled \$51,036,373 in 1942, compared with \$52,106,069 in 1941. British Columbia and Manitoba reported increased sales during the year; the other provinces reported decreases.

Sales of harvesting machinery were approximately 35 percent greater in dollar value in 1942 than in 1941 and sales of planting and seeding equipment rose 20 percent. Other classes declined, the sharpest drop in dollar value (15 percent) being in tractors and engines.

The following table shows, by classes, the number of units sold in 1941 and 1942 and their value at wholesale prices:

Type	1941		1942	
	Number of units	Value	Number of units	Value
All types, total.....		\$52,106,069		\$51,036,373
All types, itemized total.....	298,265	48,699,143	273,006	47,143,547
Planting and seeding machinery.....	11,736	2,128,926	12,368	2,650,414
Tillage machinery.....	93,254	7,416,309	88,468	6,360,332
Haying machinery.....	19,581	1,830,421	18,367	1,617,853
Harvesting machinery.....	13,183	7,587,402	19,087	10,208,338
Tractors and engines.....	27,280	28,187,877	21,619	18,036,910
All other types, itemized.....	132,691	6,643,208	113,536	6,370,656
All other types, not itemized.....		3,406,920		3,592,826

INCREASED MACHINE-TOOL MANUFACTURE IN CANADA

Canada has manufactured machine tools for many years but, prior to September 1939, production was on a small scale. Since that time output has increased greatly, the foreign press says, and Canadian plants are now making tools not only for domestic use but also for export to the Soviet Union, India, Australia, Great Britain, and other countries.

The industry is said to be giving careful attention to post-war plans and suggestions, particularly with regard to markets.

NEW ZEALAND'S AGRICULTURAL-MACHINERY IMPORTS INCREASE

The value of agricultural machinery and implements imported by New Zealand in the first 5 months of 1943 was more than twice that of similar imports

from January 1 through May 31, 1942. The figures reported for the two periods were £NZ143,268 and £NZ61,718.

Dairy machinery imported during the first 5 months of this year was valued at £NZ35,539, a substantial increase over £NZ21,312 in the corresponding months of 1942.

Medicinals and Crude Drugs

HYOSCINE MANUFACTURED IN AUSTRALIA

When hostilities started in 1939, available stocks of hyoscyne in Australia were so meager that the Australian Medical Equipment Control Committee at Melbourne asked one large pharmaceutical manufacturing company to conduct experiments with Duboisia leaves in an attempt to produce the drug domestically.

After the Council for Scientific and Industrial Research had surveyed areas in southern Queensland and northern New South Wales, which grows Duboisia, the pharmaceutical company arranged for supplies of the leaves. It now produces about 25 ounces of hyoscyne weekly. When sufficient stocks are built up for Australia, the remainder is to be

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marketed to the United States and the United Kingdom. For the next year to year and a half arrangements have been made, however, to supply one United States firm with 1,000 ounces, and it is believed that this quantity will equal any surplus there may be.

One other concern, located at Sydney, produces about 1½ ounces each week, but is using all of it in a proprietary line of its own. This company hopes to increase its output more than five times if it can obtain needed equipment.

No Duboisia leaves are exported from Australia at this time.

Motion Pictures and Equipment

NEW ZEALAND'S IMPORTS INCREASE

The value of motion-picture equipment and films imported by New Zealand between January 1, 1943, and June 1, 1943, was reported by the New Zealand Government as £NZ125,351. During the first 5 months of 1942, similar imports were valued at £NZ77,824.

Nonferrous Metals

BOLIVIAN PRODUCTION OF TIN AND TUNGSTEN

Bolivian production of tin during 1943 has been estimated at 38,383 metric tons, compared with actual output of 38,905 metric tons in 1942, 42,740 in 1941, 38,531 in 1940, and 27,647 metric tons in 1939.

Tungsten production in 1943 is estimated at 3,601.6 metric tons. Production in 1942 amounted to 3,363.2 and in 1941 to 2,676.3 tons. Promising results are reported from experiments to increase the recovery of tungsten by the use of the Sullivan deck.

CANADIAN GOLD AND SILVER PRODUCTION

Canadian output of gold dropped to 2,926,000 ounces in July from 3,266,000 ounces in June, bringing the total for the first 7 months of 1943 to 22,653,000 ounces.

A drop in silver production from 1,375,000 ounces in June to 1,332,000 ounces in July is also reported. Output for the January-July 1943 period totaled 10,837,000 ounces.

The cumulative output of Ontario gold mines during the first 8 months of 1943 is officially reported at 1,436,065 troy ounces of gold and 214,843 ounces of silver, compared with 1,853,317 ounces of gold and 304,273 ounces of silver in the January-August 1942 period.

The milled tonnage recovered from gold mines dropped during August to 651,924 short tons, from the 653,533 tons milled in July 1943 and the 864,804 tons milled in August 1942. Production of a higher grade of ore in August resulted in a 1-percent increase in value to \$6,392,248 from the July figure of \$6,332,121 and a corresponding increased yield to 165,836 ounces against 164,155 in July 1943. There were 43 gold mines operating in August 1943 and 58 in August 1942.

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Production of 7,135 ounces of gold, valued at \$274,698, in Manitoba, Canada, in August 1943 brought the total for the first 8 months of the year to 65,995,699 ounces (\$2,537,832), compared with 96,395 ounces (\$3,711,185) in the first 8 months of 1942.

Silver output in the January-August 1943 period totaled 375,261 ounces, valued at \$184,741; in the comparable period of 1942 output of 565,421 ounces of silver had a value of \$218,466.

COLOMBIA'S GOLD AND SILVER OUTPUT DECREASES

Production of pure gold in Colombia during the first 6 months of 1943 totaled 8,783 kilograms, a decrease of about 8 percent from output of 9,534 kilograms in the corresponding period of the preceding year. Silver output totaled 3,388 kilograms and 4,027 kilograms, respectively, in January to June 1943 and 1942. The decrease in combined values of both metals was from \$10,615,526 (U. S. currency) in the first half of 1942 to \$9,785,732 (U. S. currency) in the 1943 period.

The decline in output is attributed principally to the closing of smaller mines. It is believed, however, that the larger mines will have sufficient materials, if used with care, to continue production for about 2 years.

EXPORTS OF PRECIOUS METALS FROM HONDURAS INCREASE IN VALUE

Precious metals exported from Honduras during the second quarter of 1943 had a value of \$676,226.19 (U. S. Currency), compared with \$428,445.55 reported for the period January-March 1943.

SITUATION IN SOUTHERN RHODESIA

Output of ingot tin from a refinery in Bulawago, Southern Rhodesia, now exceeds the demand, and an effort is being made to establish an export market, the foreign press reports. Solder, manufactured from local tin and Broken Hill lead, is not only available, but a large surplus is reported to be exported.

A factory that is manufacturing nails from imported wire is reported to be producing less than capacity because of the small local demand.

While output of the steel works of the Rhodesian Iron and Steel Commission is limited, the plant is said to be capable of providing almost any type of alloy steel. A number of very useful mild-steel sections, manganese and other special steel castings have been produced.

INGOT-ALUMINUM INDUSTRY ESTABLISHED IN AUSTRALIA

Ingot aluminum is to be manufactured in Tasmania, Australia, states the foreign press, under a Government plan which provides £3,000,000 (Australian pounds) to establish the industry. Existing roll-

ing mills, extrusion and forging plants are to be supplemented, and the power required is to be supplied by the Tasmanian hydro-electric plant.

Nonmetallic Minerals

SWEDISH BUILDING-STONE CONTRACT WITH GERMANY SUSPENDED

A 10-year contract for the delivery of Swedish building stone to Germany was concluded in the fall of 1941. Only a small portion of the stone has been delivered, however. When quarry owners demanded a guaranty at a recent conference, the Germans suspended, but did not cancel, the contract.

Quantities of the stone, consisting primarily of large sizes, are stored at various quarries along the west coast of Sweden and are inspected every 2 weeks by the Germans. The Swedish press expresses the opinion that shipment may be resumed.

Oils, Fats, and Oilseeds

OILSEED REGULATIONS IN ROMANIA

The Minister of Industry and Commerce and the Minister of Provisioning have jointly issued regulations concerning the collection of oil-bearing seeds from this year's crop in Rumania. Control has been centralized in one company, "Solagra," which, if it does not have enough capital to purchase the entire quantity, leaves the remainder to be bought by the National Cooperative Institute and the Oil Office.

Of an initial 10,000 carloads of Bessarabian sunflower seed, half is to be gathered by the Institute and half by the company. The latter's portion is to be transported from that sector at the rate of 500 carloads a month beginning in





September. Besides these 10,000 carloads, any additional harvest will be divided so that one-fifth will be designated for the Government and the rest will go to the Oil Office which in turn must select 600 carloads for 1944 sowing.

The soybean crop is to be bought entirely by the company, but from the total collected 250 carloads must be selected for 1944 sowing.

By the end of October, producers of all oil-bearing seeds must have signed, and have had certified by the police, declarations as to the kinds and amounts of seeds produced, areas sown, their needs for oil-bearing seeds, and quantities available for sale. "Solagra," the National Cooperative Institute, and the Oil Office are to collect and buy 50 percent of all oleaginous seeds by the first of next year and the remainder of the harvest by next June. Farmers who produce up to 2,000 kilograms may sign complaints if these three agencies refuse to buy the seeds, and then if the seeds are not collected and paid for at the prescribed prices within 24 hours, the aforementioned agencies are to be fined.

Oilseed factories cannot buy from producers but must procure the seeds from the controlling company, the Institute, or the Oil Office.

ARGENTINE EXPORTS TO PERU INCREASE

Shipments from Argentina to Peru of tallow for the manufacture of soap rose from 102 tons valued at 35,000 soles in 1938 to 1,379 tons valued at 950,000 soles in 1942; stearine and oleomargarine increased from 10 to 1,048 tons and the respective values from 6,000 to 900,000 soles.

Several products such as peanut oil, butter, and linseed oil, of which participation in the Argentine-Peruvian market had normally been negligible, have attained at least 200 percent gains since the war began.

Stocks of linseed remaining in Argentina in September 1943 amounted to 1,274,000 tons, states a foreign trade magazine.

INCREASED OILSEED PRODUCTION IN FRENCH MOROCCO

During the past 3 years, cultivation of flax in French Morocco rose from 20,000 to 54,000 hectares; castor from 700 to 3,500 hectares; and sunflower from almost none to 13,000 hectares. These increases were partly the result of contracts whereby the Agricultural Production Bureau guaranteed that the Moroccan producer would have certain outlets over a fairly long period of time and at prices one and nine-tenths times the cost of wheat flour for flaxseed and two times the cost of wheat flour for castorseed, states an official Moroccan source.

Now that a proper refining technique has been developed, the acreage of oil-yielding plants may be increased further.

PRICES OF OILS AND FATS INCREASED IN U. K.

For the 8-week period between September 19 and November 13, the prices of whale oil and imported edible fats, both Empire and American Premier Jus allocated to primary wholesalers and large trade users, were increased, according to the Ministry of Food of the United Kingdom. The rises amount to about 10s. per ton for whale oil, £1 per ton for Empire edible tallow, and £11 per ton for American Premier Jus.

COOKING-FAT ALLOCATION IN UNITED

The Ministry of Food of the United Kingdom has announced that for the permit period beginning about the middle of September, cake and biscuit manufacturers, bakers, and confectioners, catering establishments, and institutions were to receive their compound cooking-fat allocation in the form of lard.

LINSEED PLANTINGS, URUGUAY

Latest official trade reports from Uruguay indicate that the planting of linseed, which ended some weeks ago, was not as large as expected. The area is about the same as that sown last year, however.

Paper and Related Products

PAPER MILL PERMITTED TO MANUFACTURE ADDITIONAL PRODUCTS

The Whakatane Paper Mills, Ltd., established in 1935, were recently granted permission by the New Zealand Bureau of Industry to manufacture the following additional products: Writing and printing papers, excluding newsprint; liner board other than corrugated cardboard; and bleached and unbleached sulfite pulp.

RUMANIAN PAPER SALES INCREASE

The association of paper factories in Rumania sold 29,789 metric tons of paper, costing 1,525,376,000 lei in the first 6 months of 1943, states the Axis press. This is a 3,000-ton increase over the corresponding period of 1942 when 26,894 tons reportedly were sold.

The cost of paper has practically doubled during the past year. The aver-

age cost of a carload of 10,000 kilograms in 1943 was 512,043 lei, whereas in 1942 it was only 286,030 lei, according to the news item.

Railway Equipment

SIGNAL-EQUIPMENT MANUFACTURE CONTEMPLATED IN FRANCE

Railway industrialists in France are considering the establishment of a plant to manufacture automatic block and other signaling equipment, states a foreign transportation publication.

Capitalization is to be 5,500,000 francs, it is reported.

U. K. MANUFACTURING NEW-TYPE LOCOMOTIVE FOR USE IN AFRICA

A new type of 4-6-2 locomotive with a double bogie tender is being constructed in Great Britain for use in Africa. Normally oil burners, they have been built so as to convert to burn coal, states a British transport publication. Conversion can be made easily. The oil burning equipment is removed; a filling-up plate is then fitted over the hole at the front of the ashpan, and firebars are then inserted. The firebar carriers are left in position to assist in supporting the brickwork. Finally a fire-door of the sliding type is fitted.

To make this locomotive adaptable for use on the systems in the Gold Coast, Nigeria, Belgian Congo, Ocean Congo, Rhodesia and in the Sudan, it was necessary to overcome many obstacles, such as the variety of patterns of buffers and draw gear, varying loading gages, and different types of couplers.

Resins

USE OF MELAMINE RESTRICTED IN U. K.

Because of the heavy demand for melamine lacquer resins in the United Kingdom, it has been necessary to limit the use of melamine, according to a British chemical publication.

Melamine in any form can be furnished at present only for very high-priority purposes.

Shipbuilding

SWEDEN BUILDING SHIPS FOR GERMANY

The motor cargo ship *Eberhart Essberger*, launched from Landskrona, Sweden, is being built for German interests under a plan by which ships are built by Swedish yards in return for steel from Germany, the foreign press indicates. This ship is 430 feet long, 57 feet broad, and 29 feet deep, and gross register is about 5,000 tons. Propelling machinery will be of the Gotaverken single-acting two-stroke type and the unit will have 8 cylinders.

POST-WAR PLANS FOR FRENCH SHIPYARDS

Pointing to the need for large scale rebuilding of the French mercantile fleet after the war, a foreign trade journal

suggests a construction program totaling 2,000,000 tons in 6 years, or about 350,000 gross tons annually. The maximum pre-war production (when 14 yards having 71 slipways employed 16,000 workmen) was 250,000 gross tons.

Apart from war losses, four-fifths of French tonnage is said to be more than 18 years old and to have a mean speed of less than 9 knots.

Special Products

SOUTHERN RHODESIA MANUFACTURING STEEL BEDS

Steel beds for civilian use are now being manufactured in Southern Rhodesia in sufficient quantities to supply all domestic demands.

Production of beds of this type was originally undertaken to meet the needs of the armed forces.

TOY MANUFACTURE, SOUTHERN RHODESIA

A number of small toy factories have been started in Southern Rhodesia. All are reported to be operating at capacity and to be supplying a large percentage of the country's needs.

Several of the companies manufacturing wooden toys are also producing clothes pegs, bread boards, and trays.

Textiles and Related Products

Cotton and Products

SITUATION IN SPAIN

In August, 5,553,667 kilograms of cotton were received in Spain. This is far below the 18,422,500 kilograms received in the preceding month. Approximately 6,100,000 kilograms were imported in August 1942.

Imports for the first 8 months of 1943 aggregate 58,738,277 kilograms, compared with 47,280,815 in the corresponding period of last year.

Increases in mill activities have somewhat improved the textile situation in Spain.

Unofficial sources have reduced their original estimates for this year's cotton crop, because of excessively warm weather during August. About 6,160,000 kilograms, or 28,000 bales (of 220 kilograms) are now expected, instead of 7,700,000 kilograms as previously reported.

URUGUAY'S MILLS ACTIVE

Uruguay's cotton mills are more active than in previous months, some having instituted a second shift.

Supplies of fine-combed and mercerized yarns are low, but additional machinery is being installed in one mill which, it is reported, should make possible a yearly production of about 1,000,000 kilograms of carded yarn.

Wool and Products

URUGUAYAN MILLS OPERATING AT CAPACITY

Woolen mills continue capacity operations in Uruguay, and sufficient orders

are on hand to keep all plants in continuous operation for an entire year.

Despite higher monetary returns accruing on the export market, industrialists have reserved a fair share of their output for the domestic trade.

Prices are continuing a slow advance.

Tobacco and Related Products

CANADIAN TOBACCO CROP DAMAGED

As a result of severe frost during the latter part of September, Ontario's tobacco crop is not expected to exceed 45,000,000 pounds this year—an amount insufficient for domestic needs.

Approximately 75 percent of the crop (which had been estimated at 55,000,000 pounds) was harvested before the frost, but from 80 to 90 percent of the leaf remaining in the field was estimated to have been destroyed.

As number of growers had reduced their acreage this year because of decreased fertilizer allotments and labor shortages, the loss will be particularly serious.

TOBACCO MANUFACTURE, NEWFOUNDLAND

Consumption of leaf in the manufacture of tobacco products in Newfoundland during the 6-month period ending June 30, 1943, is estimated at approximately 400,000 pounds, from which the following were produced: 211,000 pounds of plug tobacco, 21,000 pounds of pipe tobacco, 67,000 pounds of cigarette tobacco, and 38,000,000 cigarettes.

SWEDISH TOBACCO MONOPOLY TO CONTROL IMPORTS

The Swedish Tobacco Monopoly is expected to become the exclusive Swedish importer of the world's leading standard-brand cigarettes, according to the Swedish press. It is reported that the Monopoly in the near future intends to distribute some 11,000,000 imported cigarettes of various brands which they have taken over from former Swedish wholesale importers of manufactured tobacco products who are liquidating their import business.

Stifling of Dutch Business Enterprises

The number of business enterprises in the Nazi-ridden Netherlands that have been forced to close down has reached such proportions that it has necessitated the creation of a "Central Commission for the Liquidation of Commercial and Industrial Enterprises" with 15 regional subcommissions, the German-controlled commercial weekly, *De Zakenwereld* (Business World) has reported.

The closings resulted from the fact that, according to the paper, Dutch production for civilian use is systematically reduced, while the drafting of Dutch workers for German war industries also has caused many such closings.

Italian Fertilizer Situation Appears Favorable

Agricultural production in Italy during the 1943-44 crop year is not expected to be handicapped by any serious lack of commercial fertilizers, unless the Nazis damage or requisition the output of domestic plants which in recent years have supplied most of the country's nitrogenous fertilizer requirements, the U. S. Department of Agriculture pointed out recently. Adequate phosphate should be available from North Africa. Potash, heretofore supplied almost entirely by Germany, constitutes a very minor part of Italy's annual commercial-fertilizer consumption.

Although now producing most of its nitrate requirements at home, Italy has always been dependent upon foreign countries for virtually all of its large consumption of phosphate as well as for its relatively small consumption of potash, according to the Department's Office of Foreign Agricultural Relations. The United Nations occupation of North Africa in late 1942 and early 1943 temporarily cut off that area as a source of supply for phosphates. The recent unconditional surrender of Italy closed Germany as a source of supply for potash (for southern Italy, at least) but it reopened North Africa as a source of phosphates.

From 1939 to 1942 Italy was in a position to receive shipments of phosphate rock from North Africa via the Mediterranean and potash salts from Germany, largely through the Brenner Pass. These imported fertilizers, together with domestic production of nitrogenous materials, have been sufficient to maintain Italian food production at a satisfactory level under a food-rationing system which was not considered to be particularly burdensome.

There are a few plantings of *Cymbogon winterianus*, Jewitt, in Honduras, reports a botanical authority of that country.



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Trade Mark Applications

Brazil.—The following applications for trade-mark registration were published on dates indicated in the Official Gazette of Brazil. Opposition must be filed within 60 days from the date of publication:

Trade-mark	Class number and product	Date of publication
Simbolo (picture of an elephant).	No. 47—Oils and lubricating oils.	1943 Sept. 13
Liberty Bell	No. 50—Cotton sewing thread.	Do.
Chinaclay	No. 4—Kaolin.	Do.
Smoky de C. Courcelro.	No. 48—Perfumery.	Do.
Oadete	No. 41—Substances used as food or as ingredients in food.	Do.
Arizona	do.	Do.
Lester	do.	Do.
Victory Gin	No. 42—Fermented liquors and spirits.	Do.
River	No. 36—Hosiery.	Do.
Victory	No. 21—Bicycles.	Do.
Casa Victor	No. 8—Precision and scientific instruments.	Do.
	No. 35—Hides, skins, unwrought and wrought and articles made of leather goods not included in other classes.	
Pancocidina	No. 3—Pharmaceutical product.	Sept. 18
Proteolisim	No. 3—Pharmaceutical and medicinal product.	Do.
Nasopasta	do.	Do.
Trombosina	do.	Do.
Hepolisina	do.	Do.
Sabonete Higienic.	No. 48—Perfumed soap.	Sept. 17
Talco de Lilly	No. 48—Talcum.	Do.
Kormix	No. 10—Instruments, apparatus and contrivances for surgical or curative purposes.	Do.
Agomidas	No. 8—Pharmaceutical product.	Do.
Collimidas	do.	Do.
Disenterimidas Oral	do.	Do.
Fagogen	do.	Do.
Pielitemidas Oral	do.	Do.
Piomidas	do.	Do.
Cholasept	do.	Do.
Excelent	No. 47—Illuminating, heating, and lubricating oils and fuels.	
	No. 48—Perfumery.	
Gentleman	No. 30—Articles of clothing.	Do.
Frisla	No. 41—Dairy products, including clabber.	Sept. 21
Glanil	No. 16—Bricks, tubes, refractory tiles and other refractory products.	Do.
Silimanil	do.	Do.
Diana	No. 29—Natural or artificial silk piece goods.	Do.
Raton	No. 2—Chemical product used for sanitary purposes.	Do.
Supravitan	No. 3—Pharmaceutical product.	Do.
Lincoln	No. 8—Clocks and watches.	Do.
Vasodiuran	No. 3—Pharmaceutical and medicinal product.	Do.
Cha Dolar	No. 41—Black and green tea.	Sept. 23
Isocril	No. 10—An isolating substance for gypsum denture models.	Do.
Carbolum-Brasil	No. 4—Emery in powder, grain, stone and wheels.	Do.
Form-Iodo	No. 3—Pharmaceutical product.	Do.
Pio-Pan	No. 3—Pharmaceutical product.	Do.
Plogenol	do.	Do.
Plogenan	do.	Do.
Tic-Tac	No. 1—Liquid dye for leathers.	Do.
Tic-Tac	do.	Do.
Hollywood	No. 16—Shutters.	Sept. 24

Trade-mark	Class number and product	Date of publication
Superform	No. 3—Pharmaceutical product.	1943 Sept. 24
Vitrotex	No. 60—Fabrics made of glass.	Do.
Vitroflexfil	No. 14—Flexible glass thread.	Do.
Filatex	No. 39—Goods manufactured from rubber not included in other classes.	Do.
Vitrofil	No. 60—Glass thread.	Do.
Melrose	No. 41—Substances used as food or as ingredients in food.	Do.
Bis	No. 8—Micrometers.	Do.
Glass	No. 46—Common soap and detergents, starch and blue.	Do.
Page	No. 44—Tobacco.	Do.
Drako	No. 46—Candles, matches, common soap and detergents, starch, blue and other preparations for laundry purposes.	Do.
90 Metal V	No. 12—Goods of precious metals and imitations of such goods and jewelry.	Do.
Bicarbonato de Sodio Protecac.	No. 3—Bicarbonate of soda.	Do.
Collegial	No. 36—Articles of clothing.	Do.
Matrialeluna Nilgon.	No. 3—Pharmaceutical product.	Do.
Titan	No. 11—Cutlery and edge tools.	Do.
Garca (heron)	No. 12—Metal goods not included in other classes.	Do.
(Picture of a heron)	do.	Do.
Garca	do.	Do.
Modulon	No. 3—Pharmaceutical product.	Do.
Arsenostenil	do.	Sept. 27
Cafelax	do.	Do.
Cafelaxina	do.	Do.
Parke Luxo	No. 44—Cigarettes.	Do.
Wilson	No. 3—Pharmaceutical product.	Do.
Smart	No. 48—Perfumery.	Do.
Scat	No. 48—Insecticide preparations.	Do.
Neuroinol	No. 3—Pharmaceutical product.	Do.
Hepationi	do.	Do.
Espasmocyl Alvas.	do.	Do.
Vitarmon	do.	Do.
Calcio	No. 3—Pharmaceutical product, to be applied under doctor's prescription.	Do.
Cafe Lincoln	No. 41—Coffee	Do.
Coludazin	No. 3—Pharmaceutical product.	Do.
Rex	No. 36—Hosiery	Do.
Mohicano	No. 12—Metal goods not included in other classes.	Do.
	No. 8—Precision and scientific instruments.	
Forbesin	No. 3—Pharmaceutical product.	Sept. 29
Cristotox	do.	Do.
Extrato-Bi	do.	Do.
Flirt	No. 36—Hosiery	Do.
Impudence	do.	Do.
Prestige	do.	Do.
Carboformin	No. 3—Pharmaceutical product.	Do.
Nucleivanol	do.	Do.
Transgripol	do.	Do.

Panama.—The following applications for trade-mark registrations were published in the Gaceta Oficial on the dates noted. Opposition must be made within 90 days from the date of publication:

Trade-mark	Commodity	Date of publication
Solmar	Shoes, hats, etc.	1943 Sept. 29
Tulipan	Dairy products	Do.
Weddel	Food products	Do.
Anglo	do.	Do.
Las Palmas	do.	Do.
Bryflax	Perfumery	Oct. 14
Albany Club	Beverages, alcoholic and nonalcoholic.	Do.
Charme	Perfumery	Do.

Argentina.—The following applications for trade-mark registration were published in the Boletín Oficial of October 9, 1943. Opposition must be filed before November 8, 1943:

Trade-mark	Class number and commodity
Cometa	No. 20—Entire class.
Gladiator	No. 4—Entire class.
Bayuk	No. 21—Entire class.
Vermorel	No. 5—Entire class.
Flash	No. 22—Insecticides.
Vitavis	No. 2—Entire class.
Vitrosol	No. 10—Entire class.

German Supplies of Edible Fats

(Continued from p. 9)

oils value" attached to the northern tip of that continent was that the land had been an avenue through which West African production had gone, for French West Africa had supplied its northern neighbors with vegetable oils (primarily peanut oil) so that olive oil from Tunisia and linseed oil from Morocco might be spared for Germany. While victory there means an eventual supply of vegetable oils for the Allies, it has also meant an immediate cessation of that supply for the Axis.

Contrast With 1914-18

Comparison is hardly possible between the aforementioned factors and the situation as it existed in 1914 when hostilities opened with a suddenness that was startling and Germany, somewhat bewildered, itself, by what became an immense conflagration, neglected to foster a food-rationing program until normal supplies were almost exhausted. Contrast the modern food-rationing and price-control regulations with the methods of the old monarchy which, though it established maximum prices for butter in October 1915 and ordered heavy penalties for infringement, failed to appreciate the full potentialities of an internally strong black market that grew as buyer bid against buyer until authoritative decrees were almost meaningless. Von Hindenburg's henchmen then felt the pinch of an inadequate diet and, remembering that their country had tried a century before to produce synthetic

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fats, took up the task with renewed vigor, but once again were too late, for they had not the time to develop the catalyzing agent that would change paraffin into a fatty acid. Contrast today's Reich-controlled areas of oleaginous plants with those of Germany a generation ago when an Allied blockade had left that country dependent almost wholly upon its own resources and those resources, partly because of a tremendous manpower shift from agricultural to military pursuits, had dropped heavily.

"Best-Laid Plans . . ."

Nazi Germany had analyzed the country's former shortcoming and resolved that history should not repeat itself—and, while striking the flame of world conflagration, was careful to place the match at only one end of its own dietetic wick. The basic difference, of course, between the 1914 and the 1941 fats-and-oils programs of Germany is that the latter is much more systematized. But there is a possibility that what appears as strength now actually may become a weakness, since strategists know that one must strike in fewer places to destroy the entire system when the nerve centers are as closely coordinated as are those of the Nazis.

If and when the Balkans follow Italy out of the war, the action would unquestionably be a contributing factor toward Nazi defeat—and not the least of the reasons would be that again Germany would lose another large portion of its supply of edible fats and oils.

Meanwhile, *The candle is burning down.*

Livestock Industry in Nicaragua

The production of cattle—triple-purpose cattle, since they are used for beef, milk, and as oxen—probably has commanded the thought and attention of Nicaraguan agriculturists more than any other branch of the country's agricultural industry. Native or Criollo cattle predominate in many areas, although the number of such cattle as a distinct "breed" is gradually diminishing through crossing with almost every known major beef and dairy breed in North America. The importation of bulls has been principally from the United States and Costa Rica.

Production is not centered in any one area but extends through the vast central portion of the country from Chontales to the Honduran border and along the Pacific coast. Cattle are exported on hoof to other Central American countries and Panama. Some of the large dairies with 400 or more cows convert all their milk into butter and white cheese, the universal "queso blanco," of Latin America.

Managua, the capital city, boasts of the only modern milk-pasteurization plant in the country, but Nicaragua is looking ahead to more sanitary methods of production and distribution of its dairy products.

U. S. Export Control and Related Announcements

Developments communicated to the Trade Controls Unit up to Tuesday, November 2, 1943:

No. 496—Current Export Bulletin No. 129

The Office of Exports has issued Current Export Bulletin No. 129 on the following subject:

COMMODITIES FOR WHICH THE OFFICE OF ECONOMIC WARFARE MAY ASSIGN PREFERENCE RATINGS

1. Current Export Bulletin No. 112 and Sections C (2) and (5) on Pages 112-115 of Comprehensive Export Schedule No. 12 are amended as follows:

A. The Office of Economic Warfare has received authorization from the War Production Board to assign preference ratings to certain commodities for export to those countries or destinations for which the Office of Economic Warfare is the claimant agency, but does not apply to mining and petroleum programs. This authorization makes it unnecessary for exporters to file WPB Form PD-1A (WPB-541) or other WPB release certificates for these commodities; but does not exempt the applicant from submitting WPB Form 542 (formerly PD-3A), as required in the past, where the commodities are being procured for the use of a foreign Army or Navy when the consignee is the foreign Army or Navy or a foreign Government Purchasing Commission. These commodities are grouped according to the WPB Industry Divisions which handle these commodities and carry notation in list in paragraph E as to the appropriate Schedule B or CMP Code Number

by which these commodities are classified under the allocations made to the Office of Economic Warfare. Preference ratings for these commodities will be assigned by the Office of Economic Warfare and stamped on the face of the export license in the manner prescribed by the War Production Board.

B. The elimination of PD-1A or other WPB supply assistance forms for these commodities does not in any way change the regulations for filing export license applications or import recommendations or other OEW forms. As authorizations to assign preference ratings to additional commodities are received, or when any deletions or amendments are to be made, such notice will be announced in future current export bulletins.

C. It is important, when filing export license applications for these commodities, for the exporters to indicate under the commodity description whether or not a preference rating is requested. The schedule B number for the commodity must be designated on each application. In addition where class B products are involved, the appropriate CMP code number as indicated in the list in paragraph E below must also be entered on the export license application. This additional information on class B products will facilitate the processing of applications.

D. The authority prescribed herein does not change the present procedure for handling controlled materials and CMP class A products.

E. The commodities which do not require a PD-1A form or other War Production Board release certificate for export to Office of Economic Warfare destinations in accordance with the prescribed procedure are set forth below:

WPB Industry Division	Schedule B No.	CMP code	Commodity
Building Materials Division		415	Electric conduit and conduit fittings.
		416	Electrical connectors.
		417	Fuses, under 2,300 volts.
		421	Wiring devices and supplies, electric.
		439	Infrared heating and drying equipment (except physiotherapy heating units).
		532	Airport lighting equipment and accessories.
		534	Floodlights and searchlights (under 12 inches).
		535	Fluorescent lighting fixtures (commercial and industrial), and cold cathode lighting systems.
		536	Incandescent lighting fixtures: industrial, infrared, mercury lamp (commercial and residential).
		540	Marine lighting equipment and accessories.
		542	Street and highway lighting fixtures and traffic control signals and controllers.
			Tools, edge:
		645	(a) Axes, hatchets, adzes, and broad axes.
			(b) Miscellaneous edge tools, other, including auger bits.
			(c) Saws, including machine knives.
			(d) Machetes.
		646	(a) Hammers.
			(b) "C" clamps.
			(c) Electric soldering irons.
			(d) Blow torches and firepots.
			(e) Ladders.
			(f) Heavy forged tools.
			(g) Steel wool.
			(h) Steel wheelbarrows.
			(i) Forks, hoes, and rakes.
			(j) Shovels, spades, and scoops.
			(k) Miscellaneous hand tools, industrial.
			(l) Miscellaneous hand tools, other.
			Fabricated wire products:
		700	Building.
		701	Doors and windows, metal.
		702	Fabricated structural metal building products.
		703	Plastering bases and accessories, metal.
		704	Screen cloth, insect (metal).
		705	Sheet metal building products.
		706	Hardware, builders'.
		707	Hardware, transportation equipment.
		708	Hardware, miscellaneous.
		714	Bolts, nuts, rivets, etc. (not aluminum).

WPB Industry Division	Schedule B No.	CMP code	Commodity
Chemicals Division	8300.00		Acetic acid.
	8316.00		Acetone.
	8385.17		Ammonium nitrate.
	8509.98		
	8505.00		Ammonium sulfate.
	8390.00		Anhydrous ammonia.
	8025.15		Aniline oil and salts.
	8025.10		
	8006.00		Benzene.
	8341.00		Calcium carbide.
	incl. in 8340.00		Calcium hypochlorite.
	incl. in 8423.00		Carbon black (furnace type).
	8392.00		Chlorine.
	8024.00		Cresols, xlenols, and cresylic acid.
	8025.93		Dibutyl phthalate.
	8320.01		Formaldehyde.
	8320.03		
	8320.05		
	8320.01		
	8320.03		
	8320.05		
	8329.96		Hexamethylenetetramine.
	8310.00		Methanol.
	8020.05		Naphthalene.
	8023.00		Phenol.
	8308.87		Phosphorous.
	8025.90		Phthalic anhydride.
	8253.00		Alkyd synthetic resins.
	8265.05		Cellulose acetate, new and scrap.
	8265.98		
	8204.00		Cellulose nitrate.
	8251.00		Easter gum.
	8258.03		Other plastic material.
	8258.98		
	8261.03		
	8260.98		
	8261.98		
	8531.01		Potash salts.
	8531.03		
	8531.05		
	8359.09		Potassium chlorate.
	8359.23		Potassium permanganate.
	2186.00		Shellac.
	2189.05		
	8509.19		Sodium nitrate.
	8519.00		Standard superphosphate.
	8509.25		Urea (fertilizer).
	8385.25		Urea (industrial).
Consumers Durable Goods Division	7015.00	429	No. 6 dry-cell batteries.
	7017.00	429	Batteries, other dry cells.
	7008.00		
	7016.00	429	Flashlight battery cells.
	6126.00	659	Enamel ware.
	7080.00	533	Flashlight cases.
	7065.00	423	Fluorescent lamp bulbs.
	9794.00	537	Kerosene lamps, flat wick.
	7064.55	423	Incandescent lamps, large.
	7063.05	423	Incandescent lamps, miniature.
	7065.55	423	Other type filament lamps.
	9799.00	537	Lamps, roadside torches and flares.
	9792.00	537	Kerosene lanterns, tubular.
	9793.00	537	Pressure lanterns, gasoline mantle.
	9792.00	537	Railroad lanterns.
	6209.98	664	Pins, straight.
	7777.00	672	Staplers.
	7777.00	672	Staples.
	6188.00	669	Corn mill grinders.
		661	Hairpins and bobpins.
		673	Pencils, wood cased.
	9304.10		
	9304.20		
	9309.00	673	Pens, fountain.
	9310.00		
	9319.00		Pen holders, wooden.
	9315.00	673	Pen nibs, steel.
	6113.00	650	Razor, blades.
	6112.00	649	Safety razors.
	9812.00		
	9820.00		
Construction Machinery Division	9842.00	530	Refrigerators, domestic ice, nonmechanical.
	7311.00	316	Drilling, boring machinery: earth, rock, not well drilling.
	7231.98		
	7457.00		
General Industrial Equipment Division	7350.00		
	5474.01	718	Carbon brushes.
	5474.98		
	5478.00	719	Carbon products, molded.
	5480.01		
	5490.03		
	5480.98		
	6088.00	368	Welding rods and electrodes.
	6091.03		
	6457.00		
Miscellaneous Minerals		815	Repair parts.
	5513.00		Mica, built-up.
	6635.00		Mercury, metallic.
Plumbing and Heating Division		570	Sanitary ware, plumbing.
		571	Plumbing fixtures, fitting and trim.
		576	Boilers, low pressure, cast iron (under 100 pounds per square inch).
		577	Boilers, low pressure, steel (under 100 pounds per square inch) except steel boilers for naval and military purposes.
		578	Coils, blast heating.
		579	Convectors, heating.
		580	Radiators, cast iron.
		581	Cooking stoves and ranges, domestic (except electric).
		582	Cooking equipment, commercial (except electric).

(Continued on p. 30)

Ruth Crone ("German Supplies of Edible Fats").—Received A. B. from Nebraska State Teachers College in 1942. Graduate work at George Washington University. Member of Sigma Tau Delta and Kappa Delta Pi. Listed 2 years in "Who's Who in American Colleges and Universities." Entered the Department of Commerce, Bureau of the Census, Business Division; transferred to the Bureau of Foreign and Domestic Commerce, Current Business Analysis Unit; is now a business assistant in the Division of Industrial Economy.

Thomas W. Delahanty (co-author "Quinine—After the War") was born in New York City and received a Bachelor of Chemistry degree from Cornell University and a Bachelor of Law degree from the Washington College of Law. His commercial career started with the F. W. Sheppard Publishing Co., sponsors of a foreign-trade journal "El Comercio," followed by a period with the National Park Bank of New York City. In 1917, on the advent of World War I, he became an inspector of ordnance materials, but shortly thereafter qualified as a lieutenant in the U. S. Navy Flying Corps. Upon termination of hostilities he inaugurated the drug and chemical trading department of J. E. Golrick, a commodity broker in New York City, and thereafter, for 4 years, counseled and inspired production and foreign trade, particularly in the developing field of synthetic organic chemicals. In May 1923, when invited to join the newly formed Chemical Division of the Bureau of Foreign and Domestic Commerce as Assistant Chief, he was active in establishing the Drugs and Pharmaceuticals Section, and was a co-director in the National Drug Store Survey. Subsequently he served as Chief of the Export-Import Market Information and the Public Utility and Service Industries Units. Over the past 20 years he has made raw-material, manufacturing, distribution, and consumption investigations of European, Latin American, and Far Eastern countries. Mr. Delahanty is the author of numerous publications and articles on drugs, chemicals, and foreign trade, has often acted as industrial adviser, and has been a frequent speaker before conferences and trade associations servicing these fields.

Thomas A. Fennell ("Cryptostegia— and Related New Activities of Haiti's SHADA").—See the March 20, 1943, issue of FOREIGN COMMERCE WEEKLY.

Emma D. Schutrumpf (co-author "Quinine—After the War").—A native of Washington, D. C.; received her college training at George Washington University and American University, in that city. She joined the Bureau of Foreign and Domestic Commerce, Specialties Division, in June 1924. During the period 1924-33 she specialized in foreign adver-

tising and is the author of a number of publications on that subject. Since 1933 Miss Schuttrumpf has been engaged also in foreign-trade promotion and was author of the publication "World Trade in Toys." During this period, and subsequently as a member of the Export-Import Market Information Unit, she serviced many industries. In January 1942 she joined the Drugs and Pharmaceuticals Unit of the Bureau in the position of Associate Economic Analyst.

Cryptostegia

(Continued from p. 5)

valuable. It has qualities which may prove useful for special purposes and thus command a premium in the rubber markets.

Haiti Grows Hevea, Too

Meanwhile, the SHADA project is the first large-scale test of the commercial possibilities of cryptostegia, aside from its immediate purpose of adding quickly to the Western Hemisphere's sources of natural rubber. Nor is Haiti's role as a rubber-growing laboratory restricted only to cryptostegia. The development of a long-range plantation program based on the Hevea tree proceeds along with the cryptostegia operations. Substantial acreage is being planted to Hevea seedlings, to provide stock for rubber plantations which should come into production over the next decade. This carries out plans conceived before Pearl Harbor in recognition of Haiti's favorable conditions for tropical agriculture and need of additional cash crops which find a vast and ready market in the nearby United States.

Republic's People Benefit

Both rubber and sisal—Haiti's major contribution to the United Nations in the way of strategic materials—hold prospects of increasing the income of the Haitian people. Agriculture is the primary occupation of Haiti's 3,000,000 people, who live within an area of only 10,200 square miles. The Haitian rural dweller lives largely by subsistence farming. He could advantageously use sources of cash income, such as tapping a stand of rubber trees, while retaining his self-sufficient status as a food producer. Neither cryptostegia nor Hevea rubber planting will crowd Haitians off the land.

All the operations of SHADA—large as they are—occupy less than 2 percent of the total area of Haiti. Most of the land brought under cultivation by SHADA formerly was in a wild or semiwild state. Less than one-half of 1 percent of Haitian land has been taken out of its usual usage by SHADA.

The sum of 615,000 pesos has been earmarked in Uruguay for an extension of the State Railway Line north of Blanquillo.

Latin American Exchange Rates

NOTE.—Averages are based on actual selling rates for sight drafts on New York, in units of foreign currency, per dollar with the following exception: Cuba—United States dollars to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to the dollar.]

Country	Unit quoted	Type of exchange	Annual average rate		Latest available quotation		
			1941	1942	Rate	Approximate equivalent in U. S. currency	Date, 1943
Argentina	Paper peso	Official A.	3.73	3.73	3.73	\$0.2681	Sept. 25
		Official B.	4.23	4.23	4.23	.2364	Do.
		Bid.	4.88	4.94	4.94	.2024	Do.
		Free market.	4.24		4.00	.2500	Do.
Bolivia	Boliviano	Controlled.	43.38	46.46	42.42	.0236	Oct. 19
		Curb.	54.02	49.66	44.50	.0225	Do.
Brazil	Cruzeiro ¹	Official.	16.50	16.50	16.50	.0606	Sept. 1
		Free market.	19.72	19.64	19.63	.0509	Do.
		Special free market.	20.68	20.52	20.30	.0493	Do.
		Curb.	20.30				Do.
Chile	Peso	Official.	19.37	19.37	19.37	.0516	Sept. 30
		Export draft.	25.00	25.00	25.00	.0400	Do.
		Curb market.	31.78	31.75	31.60	.0316	Do.
		Free.	31.15	31.13	31.00	.0323	Do.
		Gold exchange.	31.15	31.13	31.00	.0323	Do.
		Mining dollar.	31.35	31.13	31.00	.0323	Do.
		Agricultural dollar.	31.15	31.13	31.00	.0323	Do.
		Controlled.	1.75	1.75	1.75	.5714	Oct. 16
Colombia	do.	Bank of Republic.	1.76	1.76	1.76	.5682	Do.
		Stabilization Fund.	(²)	(²)	(²)	(²)	Do.
		Curb.	1.86	1.77	1.75	.5714	Do.
		Uncontrolled.	5.85	5.71	5.63	.1776	Sept. 30
Costa Rica	Colon.	Controlled.	5.62	5.62	5.62	.1779	Do.
		Curb.	.98	1.00	1.00	1.0000	Sept. 25
Cuba	Peso	Central Bank (official).	15.00	14.39	14.10	.0709	July 20
Ecuador	Sucre	Official.	2.04	2.04	2.04	.4902	Sept. 1
Honduras	Lempira	Free.	4.86	4.85	4.85	.2062	Sept. 15
Mexico	Peso	Official.	5.00	5.00	5.00	.2000	Oct. 9
Nicaragua	Cordoba	Curb.	5.93		5.20	.1923	Do.
Paraguay	Paper peso	Official.		333.00	333.00	.0030	Sept. 30
Peru	Sol.	Free.	6.50	6.50	6.50	.1538	Oct. 9
Salvador	Colon	do.	2.50	2.50	2.50	.4000	Oct. 23
Uruguay	Peso	Controlled.	1.90	1.90	1.90	.5263	Oct. 9
Venezuela	Bolivar	Free.	2.31	1.90	1.90	.5263	Do.
		Controlled.	3.26	3.35	3.35	.2985	Do.
		Free.	3.76	3.45	3.35	.2985	Do.

¹ Under law of October 6, 1942, the cruzeiro became the unit of currency, replacing the milreis. Since November 1, 1942, exchange quotations have been in terms of cruzeiros and centavos to the dollar.

² Established March 25.

³ For class 2 merchandise, 1.795; class 3, 1.87; class 4, 1.95.

⁴ For class 2 merchandise, 1.765; class 3, 1.775; class 4, 1.785.

⁵ July 24–December 31.

NOTE.—Special rates apply to automotive equipment and agricultural machinery imported from the United States into Argentina.

Medicinal Plants in Kiev District

About 144 main varieties of medicinal plants are being cultivated in the Kiev district, said to be the principal region for this industry in the Ukraine, reports the German press.

Prior to the war, Germany imported etheric oils in the amount of 14,500,000 reichmarks each year, and the import value of spices and medicinal herbs was even higher. Much of these came from eastern Europe.

The 1942 cultivation program in the Kiev district, continued this press statement, yielded about 3,700 tons of herbs, 50 percent of which was made available to Germany. It was "expected" that 5,350 hectares would be devoted to growing medicinal plants in 1943 "despite all resistance" to the scheme in that sector. The resistance to Nazi schemes in the Kiev sector has, of course, lately become a matter of first-page headlines rather than of obscure economic items in the Reich press.

Nicaragua's Mahogany

Nicaragua's east-coast forests are yielding vast amounts of highly prized mahogany lumber. The industry has increased greatly during the last 2 years to give a new impetus to forest products as a source of export.

The trees are felled during the season of decreased rainfall in order that the timbers may be lined along the streams when they are at a low level. With increased rainfall, the floods carry the logs to coastal sawmills.

Felling has increased at such a rapid rate that the Nicaraguan Ministry of Agriculture and Labor already has called attention to the need of reforestation to ensure future supplies.

Several manufacturers in Uganda, Africa, are using cottonseed in place of coal as fuel. Tea, rubber, sugar, and coffee plantations in the area use cottonseed as fertilizer.

New Books and Reports

★ The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. Please note: The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Current Interest Appearing in the Department of State Bulletin October 23, 1943

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., for the price of 10 cents each; subscription price \$2.75 a year. The October 23 issue contains these articles:

TRIPARTITE CONFERENCE IN MOSCOW.

FOOD SHIPMENTS TO NORTH AFRICA FOR MILITARY PURPOSES.

PROTOCOL REGARDING MILITARY SUPPLIES TO THE SOVIET UNION.

EXCHANGE OF AMERICAN AND JAPANESE NATIONALS.

APPOINTMENT OF CHIEF OF MISSION FOR ECONOMIC AFFAIRS IN LONDON.

STATEMENT BY PRESIDENT ROOSEVELT REGARDING THE PUPPET GOVERNMENT IN THE PHILIPPINES.

ADDRESS BY FRANCIS B. SAYRE BEFORE THE COTTON TEXTILE INSTITUTE.

PROCLAIMED LIST: CUMULATIVE SUPPLEMENT 1 TO REVISION VI.

DEVELOPMENT OF THE GOOD-NEIGHBOR POLICY.

VISIT TO THE UNITED STATES OF ARGENTINE CHAMBER OF COMMERCE OFFICIAL.

SUPPLEMENTAL TRADE-AGREEMENT NEGOTIATIONS WITH CUBA.

TRADE AGREEMENT WITH ICELAND.

RESIGNATION OF HERBERT FEIS AS ADVISER ON INTERNATIONAL ECONOMIC AFFAIRS.

ISSUANCE OF IDENTIFICATION CERTIFICATES TO AMERICANS CROSSING THE MEXICAN BORDER.

Other Publications

OFFICIAL WAR PUBLICATIONS, GUIDE TO STATE, FEDERAL, AND CANADIAN PUBLICATIONS: VOLUME VI. Jerome K. Wilcox. 1943. 275 pp. Price, \$1.75. Covers as comprehensively as possible, material issued up to June 1, 1943, and indexes also many press releases of later dates. Designed to assist librarians, Government agencies, and others interested in locating material concerning various aspects of the war program.

Available from: Bureau of Public Administration, University of California, Berkeley, Calif.

(Continued on p. 85)

U. S. Export Control and Related Announcements

(Continued from page 28)

WPB Industry Division	Schedule B No.	CMP code	Commodity
Plumbing and Heating Division		584	Heating stoves, domestic (except electric).
		585	Unit heaters and ventilators.
		586	Warm air distribution equipment registers, stoves and smoke pipe.
		587	Warm air furnaces.
		588	Burners, gas industrial.
		589	Burners, oil.
		590	Burners, combination oil and gas (industrial).
		591	Gas conversion burners, domestic.
		592	Oil burners, domestic.
		593	Stokers, domestic (grate area 36 square feet or less).
		594	Heating system controls, including thermostats and other temperature control devices.
		595	Hot water equipment (heaters and tanks) domestic (except electric).
Power Division ¹		821	Repair parts.
		414	Cut-outs and fuse links.
		418	Insulators.
		419	Lightning arrestors.
		603	Meters, gas and water.
		420	Pole line hardware.
		403	Power and distribution transformers.
		822	Repair parts.
		171-172	Tube cleaners and tube expanders.
		407	Switchgear (MRO only).
		405	Specialty transformers.
		510	Transformers.
Pulp and Paper Division	4714.00		Uncoated book papers.
	4720.00		Surface coated and cover paper.
	4725.98		
	4721.00		
	4723.00		Greaseproof and waterproof papers (except cellophane).
	4724.00		Wrapping paper, except kraft.
	4725.98		Kraft wrapping paper.
	4726.05		Cigarette paper (except cork paper) cigarette books and book covers.
	4726.98		Other tissue and crepe paper.
	4728.00		Toilet paper.
	4728.00		Paper towels and napkins.
	4730.00		Kraft container board.
	4731.00		Other boxboard.
	4732.00		Bristols and bristol board.
	4733.00		Other paper board.
	4735.00		Shoebinding and building paper.
	4741.00		Blotting and absorbent paper.
	4750.00		Filing folders, index cards, etc.
	4760.00		Papeteries.
	4761.00		Writing paper.
	4775.00		Wallpaper.
	4777.00		Paper bags, heavy.
	4778.00		Paper bags, other.
	4781.00		Boxes and cartons, heavy.
	4782.00		Boxes and cartons, other.
	4783.00		Envelopes.
	4797.00		Cash register and adding machine paper.
	4799.00		Other paper and paper products (except cellulose bands).
Shipbuilding Division	4601.00-4619.00		Woodpulp.
	7150.00	829	Marine Diesel engine repairs parts.
	6454.58	573-575	Valves and fittings other than steel.
	6454.30		
	6549.07		
	7745.05		
	7745.98		
	6309.07		
	6454.57		
Steel Division	6545.09		Nickel and alloys.
	6630.00		Nichrome electric resistance wire.
	6549.07		Nickel manufacture (nickel content).
	6549.09		
Textile, Clothing, and Leather Division	3140.00		Cotton, rayon, and wool products:
	part of 3012.00		Cotton woven belting for machinery.
	3013.10		Combed cotton yarn, mercerized.
	3013.20		Combed cotton yarn, unmercerized.
	3011.10		
	3011.20		Carded cotton yarn.
	part of 3012.00		
	3067.00		Cotton piece goods:
	3073.00		Voile, lawn, organdy, batiste.
	3070.00		Marquisette.
			Pique and other combed yarn goods, n. e. s.
	3034.00		Carded types:
	3031.20		Osnaburg.
	3033.20		Sheeting, coarse and medium (class C sheeting only).
	3042.10		
	3042.20		
	3043.00		
	3046.10		
	3047.10		
	3031.10		Drills, twills, sateens (no jean or jean cloth).
	3033.10		
	3040.00		
	3041.10		
	3041.20		
	3045.10		
	3037.00		Print cloth yarn fabrics.
	3048.00		
	3049.10		
	3049.20		

¹ PD-1A or other WPB release certificates not required for export for these Power Division products when used for MRO, or for new capital equipment, where power items total no more than \$500.

WPB Industry Division	Schedule B No.	CMP code	Commodity
Textile, Clothing, and Leather Division. Continued.	3051. 10	-----	-----
	3052. 10	-----	-----
	3052. 20	-----	-----
	3036. 00	-----	Cheese cloth and gauze.
	3050. 00	-----	-----
	3057. 00	-----	Denim, suiting, twill covert cottonade.
	3058. 00	-----	-----
	3060. 00	-----	Chambray, cheviot, shirting.
	3055. 10	-----	Flannel, canton, flannel, other napped fabrics.
	3055. 90	-----	-----
	3061. 00	-----	All other carded yarn goods, n. e. s.
	3082. 00	-----	-----
	3084. 00	-----	-----
	3087. 00	-----	-----
	3088. 00	-----	-----
	3840. 08	-----	Rayon filament yarn (excluding high tenacity).
	3840. 11	-----	-----
	3830. 07	-----	Rayon waste and staple fiber.
	3840. 07	-----	Rayon yarn, spun.
	3849. 60	-----	Fabrics of spun yarn, rayon.
	3849. 61	-----	-----
	3849. 70	-----	-----
	3849. 71	-----	-----
	3849. 80	-----	Rayon fabrics of filament yarns.
	3849. 81	-----	-----
	3849. 80	-----	-----
	3849. 81	-----	-----
	3849. 80	-----	-----
	3849. 81	-----	-----
	3857. 20	-----	Fabricated rayon products of woven materials.
	3857. 70	-----	-----
	3852. 00	-----	-----
	3915. 00	-----	Coated and impregnated fabrics.
	3917. 00	-----	-----
Tin-Lead Division	6565. 01	831	Miscellaneous: Parts for repair and maintenance.
	6565. 02	-----	Pig tin and tin manufactures.
	6565. 03	-----	-----
	6565. 07	-----	-----
	6565. 09	-----	-----
Tools Division	7055. 00	-----	Portable, metal-working electric and pneumatic tools.
	7099. 94	-----	-----
	7457. 00	-----	-----
	7458. 98	-----	-----
	6118. 05	362	Tools, metal cutting.
	6118. 09	-----	-----
	6118. 25	-----	-----
	6118. 98	-----	-----
	6154. 43	-----	-----
	6155. 15	-----	-----
	6156. 18	-----	-----
	6167. 43	-----	-----
	6168. 43	-----	-----
	6169. 43	-----	-----
	7443. 82	-----	-----
	7485. 12	-----	-----
	6158. 10	644	Files and rasps.
	6158. 50	-----	-----
	6154. 98	647	Tools, mechanics hand service.
	6160. 00	-----	-----
	6165. 00	-----	-----
	6172. 00	-----	-----
	6178. 98	-----	-----
	6156. 98	-----	-----
	6163. 00	-----	-----
	6168. 98	-----	-----
	6173. 00	-----	-----
	6209. 98	-----	-----
	6178. 30	658	Gauges and machinist precision measuring tools.
	6178. 95	-----	-----
	6178. 98	-----	-----
	7038. 05	-----	-----
	7038. 98	-----	-----
	7089. 93	-----	-----
	7009. 98	-----	-----
	7455. 01	-----	-----
	7740. 05	-----	-----
	7740. 98	-----	-----
	7750. 07	-----	-----
	6190. 03	-----	-----
	6691. 98	712	Chains, except anchor.
	6192. 00	-----	-----
	5404. 00	720	Abrasive products.
	5406. 00	-----	-----
	5408. 05	-----	-----
	5409. 98	-----	-----
	5412. 00	-----	-----
	5418. 00	-----	-----
	5419. 90	-----	-----
	7443. 98	833	Repair parts.
	7455. 95	-----	-----
Transportation Division	-----	101	Parts and accessories for locomotives and cars (MRO only).
	-----	100	-----
	-----	102	-----
	-----	103	-----
	-----	104	-----
	-----	104	-----
	-----	165	-----
	-----	514	-----
Zinc Division	6571. 01	834	Zinc—slabs, plates, blocks (special high grade and high grade).
	6571. 03	-----	-----
	6571. 05	-----	-----
	6571. 11	-----	Zinc—slabs, plates, blocks (other grades).
	6571. 21	-----	-----
	6571. 25	-----	-----
	6571. 98	-----	-----

(Continued on p. 32)

Quinine—After the War

(Continued from p. 7)

nine and the governments to carry out highly necessary health programs, is capable of producing better economic conditions than have formerly prevailed.

Great Benefits Visualized

Far-reaching and permanent benefits from such an international program are within the realm of possibility. For example: many people, as already stated, are incapacitated because they suffer from malaria; hence they contribute little, if anything, to the national economy. In addition they are a serious public menace, being vectors for infecting others through the carrier mosquito. Reverse the picture: they are effectively treated and become a source of labor—perhaps may even join the workers collecting bark, increasing numbers of whom are in great demand in many areas. Thus they contribute to the national economy and, by improving their living conditions, they help to bring about a higher level in national health standards. Further benefits will be realized by international cooperative sanitation projects for the eradication of the mosquito wherever possible and the control of malaria around infested areas. History has conclusively demonstrated that control measures in areas that were formerly unproductive have enabled such regions to develop industrially and agriculturally.

International experience through study of many types of malaria-control problems will be of invaluable assistance in coping with the different sets of conditions which will be encountered in the different localities throughout the world's malarious regions. The great need for an international cooperative effort was expressed in the recent statement of Surgeon General Parran of the United States Public Health Service: "Outside of the mental diseases there is no other disease [than malaria] of comparable importance against which we have made less progress during my generation."

Role of Other Antimalarials

So far no mention has been made of other antimalarials, such as totaquine, only recently officially approved in the United States, and the synthetics, atabrine and plasmochin. Each is of importance in the antimalarial program, and conceivably any international body might include them within the purview of a malaria program.

Stress has been placed on quinine, not only because it is the oldest and best-known antimalarial medicine but because, as a prophylactic, it is commonly considered superior to the synthetics. Furthermore, quinine may be administered safely by laymen or nonmedical persons; whereas a respectable segment of the profession believes that the synthetics require experienced medical supervision. Totaquine is a product of cinchona bark, therefore is subject to the same supply problems as is quinine.

U. S. Export Control and Related Announcements

(Continued from p. 31)

WPB Industry Division	Schedule B No.	CMP code	Commodity
Zinc Division	6572.05	-----	Zinc—Photoengraving sheets and plates.
	6589.03	-----	-----
	6572.06	-----	Zinc—Zinc sheets, n. e. s. and strip.
	6586.00	-----	Zinc—Zinc dust.
	6573.05	-----	Zinc—Zinc in other forms.
	6573.07	-----	-----
	6573.08	-----	-----
	6580.01	-----	-----
	6589.07	-----	-----
	6589.08	-----	-----

No. 497—Current Export Bulletin No. 130.

The Office of Exports has issued Current Export Bulletin No. 130 covering the following subjects:

I. Clarification of the Decentralization Modification of October 1.

The waiver of the Import Recommendation requirement for exportation to the other American Republics includes shipments of commodities exportable under the General License for Medicinals and Pharmaceuticals, even though such shipments may be valued up to \$100 as well as any goods requiring individual license or not, but valued at \$25 or less.

All general licenses available to Group K countries, including the special general licenses such as GLV, the General License for Medicinals and Pharmaceuticals, etc. (pp. 80-91 of Comprehensive Export Schedule No. 12) were restored on October 1, 1943, to the following countries:

Brazil.	Haiti.
Chile.	Honduras.
Colombia.	Nicaragua.
Costa Rica.	Panama.
Dominican Republic.	Paraguay.
Ecuador.	Peru.
El Salvador.	Uruguay.
Guatemala.	Venezuela.

Current Export Bulletin No. 124 (Announcement 491 in FOREIGN COMMERCE WEEKLY for October 2) provides that exporters holding valid individual licenses for items going under general license as of October 1, 1943, are required to return such licenses to the Office of Exports immediately. However, exporters who have filed forms (BEW 166 or OEW 138) for commodities going under general license as of October 1, 1943, need not file additional BEW forms for these shipments, even though the individual license is returned to this Office for cancellation.

II. Newfoundland Release Certificate Validity Extended to One Year.

Released certificates issued to exporters under the Newfoundland Program License will be valid for one year from the date of issuance instead of expiring on December 31, 1943, or as otherwise stated on outstanding release certificates.

III. Reinstatement of Certain Program Areas to Group K.

Effective immediately the following Program License areas are included in the group K list of destinations and the general license privileges, including the special provisions regarding medicinals, accorded group K countries will be equally applicable to these destinations:

BRITISH PROGRAM BE-1

Aldabra Islands (Seychelles Islands).
Amirante Islands (Seychelles Islands).
Anguilla (Leeward Islands).
Antigua (Leeward Islands).
Ascension Island (St. Helena Island).
Ashanti (British West Africa).
Australia, Commonwealth of.

Bahama Islands (British West Indies).
Baluchistan (India).
Barbados (British West Indies).
Barbuda (Leeward Islands).
Bermuda.
Bhutan (India).
British East Africa (including Kenya, Uganda, Nyasaland, Zanzibar, and Tanganyika Mandated Territory).
British Guiana.
British Honduras.
British Togoland (British West Africa).
British Virgin Islands (Leeward Islands).
British West Africa (including Gambia, Gold Coast with Togoland under British Mandate, Nigeria with Cameroons under British Mandate, and Sierra Leone).
Calicos Islands (Jamaica).
Cameroons under British Mandate (British West Africa).
Cayman Islands (Jamaica).
Ceylon (including Maldives Islands).
Chagos Island (Mauritius).
Commonwealth of Australia.
Cook Islands (New Zealand).
Diego Garcia Island (Mauritius).
Dominica (Leeward Islands).
Dominion of New Zealand (include Cook Islands).
England.
Falkland Islands (including South Georgia, South Orkney, South Sandwich, South Shetland Islands).
Farquhar Islands (Seychelles Islands).
Gambia (British West Africa).
Gibraltar.
Gold Coast, including Ashanti and Togoland under British Mandate (British West Africa).
Gough Island (St. Helena Island).
Gozo.
Great Britain (England, Scotland, and Wales).
Grenada (Windward Islands).
Guiana, British.
Honduras, British.
Inaccessible Island (St. Helena).
India (including Baluchistan, Bhutan and Nepal).
Jamaica (including Calicos, Cayman, and Turks Islands).
Kenya (British East Africa).
Leeward Islands (including Antigua with Barbuda and Redonda, British Virgin Islands, Dominica, Montserrat, St. Christopher or St. Kitts, and Nevis with Anguilla).
Maldives Islands (Ceylon).
Malta and Gozo.
Mauritius (including Chagos, Diego, Garcia and Rodriguez Islands).
Montserrat (Leeward Islands).
Nepal (India).
Nevis (Leeward Islands).
New Zealand, Dominion of (including Cook Island).
Nigeria (British West Africa).
Nightingale Island (St. Helena Island).
Northern Ireland (Great Britain).
Northern Rhodesia.
Nyasaland (British East Africa).
Redonda (Leeward Islands).
Rodriguez (Mauritius).
St. Christopher or St. Kitts and Nevis (Leeward Islands).
St. Helena Island (including Ascension, Gough, Inaccessible, Nightingale, and Tristan da Cunha Islands).
St. Lucia (Windward Islands).

Medical authorities engaged in research are virtually agreed as to the desirability of treating malaria with a series of doses of quinine, atabrine, and plasmochin. Every one of these three remedies shows a proper action on the parasite in one of its phases of development in the human organism. As yet, no drug can guarantee the prevention of relapses. It is not inconceivable that research will one day develop a synthetic—or series of remedies—or some product, perhaps a vaccine, that will even afford immunity, making it possible to dispense with quinine entirely. Until that day, the existing natural and synthetic antimalarials will be required in large quantities for the treatment of malaria.

Industrial Applications

While the future of quinine should be contemplated solely from the humanitarian standpoint, there exist at the present time industrial uses of cinchona alkaloids—quinine and others—in numerous fields such as the metallurgy, paint, rubber, and textile industries, and in the manufacture of "Polaroid." The last-mentioned commodity represents a development of scientific importance because of the use of "Polaroid" in scientific instruments and eyesight-testing equipment and its broad application where light polarization is a factor, as in automobile headlights and windshields.

Expansion industrially might be considered as an economic expedient for future consideration in the event that an over-supply of quinine should develop as a result of diminution in the demand for quinine due to (1) progress in control measures with an attendant lowering of malaria incidence and (2) medical discovery of a totally effective suppressive drug, either natural or synthetic.

Must Fight Malaria's Ravages

In any event, if any form of international public health service were ever justified, the war has unquestionably demonstrated the need for an "insurance policy" against the ravages of this dread, insidious disease. Though some other disease may be known as the great killer, malaria has no competitor as the great incapacitator, and quinine is a prophylactic of universally recognized efficacy.

A recent scrap rubber campaign in Brazil resulted in approximately 6,613,000 pounds of rubber recovered for the United Nations war effort. The drive, which ended a few weeks ago, was sponsored by the Brazilian Assistance League.

The emphasis now being placed on the mining of base metals and minerals has resulted in increased production of these commodities. The value of such output for the first 7 months of 1943 amounted to £1,928,000, an increase of more than 17 percent over that for the same period in 1942.

St. Vincent (Windward Islands).
 Sandwich Islands (Falkland Islands).
 Scotland (Great Britain).
 Seychelles Islands (including Amirantes, Aldabra, and Farquhar Island).
 Sierra Leone (British West Africa).
 Sombrero (Leeward Islands).
 South Africa, Union of (include South West Africa Mandated Territory).
 South Georgia Islands (Falkland Islands).
 South Orkney Islands (Falkland Islands).
 South Sandwich Islands (Falkland Islands).
 South Shetland Islands (Falkland Islands).
 Southern Rhodesia.
 South West Africa Mandated Territory (Union of South Africa).
 Tanganyika Mandated Territory (British East Africa).
 Tasmania (Australia).
 Tobago and Trinidad (British West Africa).
 Togoland under British Mandate (British West Africa).
 Trinidad and Tobago (British West Africa).
 Tristan da Cunha Island (St. Helena Island).
 Turks Islands (Jamaica).
 Uganda (British East Africa).
 United Kingdom of Great Britain and Northern Ireland.
 Windward Islands (including Grenada, Grenadines, St. Lucia, and St. Vincent).
 Zanzibar (British East Africa).

Other destinations under British Program License BE-1, not specified above, but exclusive of destinations covered by Middle East Program License ME-1. (See Current Export Bulletin No. 126, Announcemet 493 in FOREIGN COMMERCE WEEKLY for October 16.)

NEWFOUNDLAND PROGRAM LICENSE No. BE-2
 Newfoundland, Labrador (that part under Newfoundland authority).

BRITISH OCEANIA PROGRAM LICENSE No. BSP-1
 Fiji Islands (including Rotuma).
 British Solomon Islands (including Santa Cruz Islands).
 Gilbert and Ellice Islands.
 Pitcairn Island.
 Tonga or Friendly Islands.

WESTERN SAMOA PROGRAM LICENSE No. WSP-1
 Western Samoa (New Zealand Mandated Territory).

NETHERLANDS PROGRAM LICENSE No. N-1
 Surinam.
 Curacao (including the Islands of Aruba, Bonaire, Netherlands St. Martin, Saba, and St. Eustache).

FRENCH POSSESSIONS IN THE SOUTH PACIFIC PROGRAM LICENSE No. FSP-1

French Oceania: Clipperton Island, Gambier Island, Marquesas Islands, Raiatea Island, Rapa Island, Society Islands, Tahiti, Tuamotu, and Tubuai.

New Hebrides (British and French Condominium).

New Caledonia, including Loyalty Island, and Wallis Archipelago.

IV. Changes in General License.

A. Effective immediately, the following commodities are exportable under general license to destinations in group K which now includes the 18 Latin American Republics listed in A-2 of Current Export Bulletin No. 124:

Commodity	Department of Commerce schedule B No.	General license group—Old	General license group—New
Chemicals:			
Baking powder.....	8230.00	62	K
Epsom salts (magnesium sulphate).....	8135.98 8141.00 8398.98	62	K
Glauber salts (sodium sulphate).....	8135.98 8141.00 8379.98	62	K
Perfumery and toilet water.....	8766.00	62	K
Red lead in oil.....	8431.03	62	K
Sodium sulfide.....	8379.98	62	K
Sublimed white lead in oil.....	8431.05	62	K
Cork and Manufactures: Stoppers.....	4305.00	None	K

B. The following change in general license is also effective immediately:

Commodity	Department of Commerce schedule B No.	General license group—Old	General license group—New
Chewing gum.....	1639.00	62	None

Shipments of the above commodity which are now on dock, on lighter, laden aboard the exporting carrier or in transit to a port of exit pursuant to an actual order for export may be exported under the previous general license provisions. Shipments moving to a vessel subsequent to this date pursuant to ODT permits already issued may also be exported under the previous general license provisions.

V. Quantity Differences Between License Applications and Import Recommendations.

If an exporter submits a license application for a proposed shipment to Latin America which covers less material than is called for on the accompanying import recommendation,* he must state that he intends to apply for the balance at a later date or the import recommendation balance will be cancelled. The exporter must enter a statement as follows on the No. 4 copy of the import recommendation and on the bottom of the license application as well:

"Export license application will be submitted within _____ days for additional material covered by this import recommendation."

The required period, "30 days," "60 days," or, if necessary, longer should be specified for submission of subsequent license applications. Where a period longer than 60 days is specified, it must be substantiated by a valid reason.

Unless such a statement is included on the import recommendation and the license application, the Office of Exports will not consider further applications against the unused balance.

At the time a subsequent application is submitted the exporter must state the import recommendation number either on the license application (under the commodity description) or in an accompanying letter.

VI. Commodities Based on Dollar Value Quotas.

A. Estimates of supply of materials available to foreign countries in limited quantities are set up by the Office of Economic Warfare in collaboration with the War Production Board. These estimates may be expressed on the basis of dollar value, weight, or otherwise. Therefore, when filing a license application for materials based on dollar value quotas, it is requested that the exporter specify factory price, exclusive of export packing or shipping charges, and exclusive of premium charges, if any, in order that only the value of the goods will be deducted from the quota and not the value of the goods plus the export packing and shipping charges and premium charges, if any. This price should be shown on all copies of the application, but may be omitted from the original. This factory price information is required in addition to the f. a. s. price which must be shown on all the copies.

B. The request that the exporter give factory price less export packing and shipping charges and premium charges, if any, is to assure full quotas to the countries and exporters. This request should not be construed as a demand of the foreign country or Purchasing Mission in the United States seeking price information but is for the official use of the Office of Economic Warfare only.

C. The commodities that are based on dollar value quotas, and for which the fac-

*Preference Request Recommendation in Brazil, Export Recommendation in Mexico, Certificate of Necessity in Argentina.

tory price exclusive of export packing or shipping charges, and exclusive of premium charges, if any, are set forth on the attached list. Wherever a CMP code number is indicated on the list, it should be shown on the license application. The description of the commodity will indicate the correct CMP code number to be used. The appropriate Schedule B number must always be shown. The schedule B numbers listed beside the CMP code numbers will serve as a guide in determining which schedule B classifications are included in the CMP code classification.

Commodity	CMP code No.	Department of Commerce schedule B
Abrasive products.....	720.0	5405.00 5406.00 5409.05 5409.98 5412.00 5418.00 5419.00
Bearings, ball and roller (except aircraft and main thrust bearings for ships).....	155.0	7601.00 7602.00 7603.00
Boilers, low pressure, cast iron, under 100 pounds per square inch.....	576.0	6148.00
Boilers, low pressure steel under 100 pounds per square inch.....	577.0	6148.00
Bolts, nuts, rivets (except aluminum), screws, and screw machine products.....	714.0	6099.00
Brake actuating mechanisms, air (MRO only).....	104.0	7968.00 7967.50
Brushes.....	679.0	5474.98
Building mesh, metal.....	700.0	5474.98
Burners, combination oil and gas (industrial).....	590.0	7750.98
Burners, gas conversion, domestic.....	581.0	6152.88
Burners, gas (industrial).....	585.0	6151.00
Burners, oil (industrial).....	589.0	6151.00
Burners, oil (domestic).....	592.0	6151.00
Carbon brushes.....	715.0	5474.01
Carbon products, molded.....	719.0	5474.98 5478.00 5480.03 5490.01 5490.98
Cast iron ware.....	659.0	6120.00
Chains, except anchor.....	712.0	6691.98 6192.00
Coal tar dyes.....	578.0	8069.00
Coils, blast heating.....	579.0	6152.88
Convector, heating.....	579.0	6152.88
Cooking equipment, commercial (except electric).....	582.0	6139.00 6144.00
Cooking stoves and ranges, domestic (except electric).....	581.0	6139.00
Cranes, hoists, winches (except crawler tractor, motor truck mounted, etc.).....	146.0	7224.00 7235.00 7241.00 7201.00
Cutlery, domestic food processing.....	648.0	6115.00 6116.00
Cutlery, hand hair clippers.....	648.0	6119.00
Cutlery, hunting and sheath knives.....	648.0	6119.00
Cutlery, industrial food processing.....	658.0	6116.00 6119.00
Cutlery, pocket.....	648.0	6119.00
Cutlery, shears, shears and trimmers.....	648.0	6114.00
Cut-outs and fuse links.....	414.0	7093.00
Dishwashing and glass washing machinery (commercial).....	474.0	7750.98
Drilling, boring machinery: earth, rock, not well drilling.....	316.0	7311.00 7339.00
Electric conduit and fittings.....	415.0	7093.00
Electrical connectors.....	416.0	7093.00
Enamelware.....	659.2	6115.00
Fabricated structural metal building products.....	702.0	6158.50
Files and rasps.....	644.0	9126.00 9126.10
Film cut.....	652.0	6956.00 6955.00 6958.00 6959.00 6115.00
Film, X-ray.....	652.0	6956.00 6955.00 6958.00 6959.00 6115.00
Flatware (includes silver plated and all metal handled).....	363.0	7150.00 7451.00 7452.05 7452.98
Foundry machinery, equipment and supplies.....	363.0	7150.00 7451.00 7452.05 7452.98

Commodity	CMP code No.	Depart- ment of Com- merce schedule B
Furnaces, electric, metal-melting	422.0	7074.10
Furnaces, warm air	587.0	6148.00
Furniture, wooden (all)	545.0	4242.00
		4244.00
		4247.00
		4248.00
Fuses, under 2,300 volts	417.0	7034.05
		7034.98
Gauges and machinist precision measuring tools	658.0	6178.90
		6178.95
		6178.98
		7038.05
		7038.98
		7099.93
		7099.98
		7455.01
		7740.05
		7740.98
		7750.07
		9190.03
General industrial equipment repair parts	815.0	
Hairpins and bobbins	681.0	
Hardware, builders'	706.0	6180.00
		6181.00
		6182.00
		6183.00
		6465.00
Hardware, except builders' and transportation equipment	708.0	6179.00
		6184.50
		6184.90
		6185.00
		6188.00
Hardware, transportation equip- ment	707.0	6188.00
Heaters, unit and unit ventilators	585.0	6152.88
Heating system controls, including thermostats and other tempera- ture control devices	594.0	6152.88
Heat-treating equipment, metal	364.0	
Hot water equipment: heaters, and tanks, domestic (except electric)	595.0	6143.00
		6146.00
Infra-red heating and drying equip- ment (except physiotherapy heat- ing units)	439.0	7074.90
Insulators	418.0	5292.00
Kitchen household, and similar articles as defined in WPB Order L-30 (except military and naval types): Porcelain enamelware	659.2	6126.00
Lamp bulbs and tubes, electric:		
Miniature, incandescent	423.1	7083.05
Large, incandescent	423.2	7094.55
Fluorescent	423.3	7095.01
Other type filament lamps	423.4	7095.55
Laundry, dry cleaning, and pressing machinery (commercial)	475.0	7737.00
		7738.00
Leather working machinery	240.0	
Lighting fixtures:		
Airport lighting equipment and accessories	532.0	7066.00
Floodlights and searchlights (un- der 12-inches)	534.0	7066.00
Fluorescent lighting fixtures (com- mercial and industrial), and cold cathode lighting systems	535.0	7096.01
Incandescent lighting fixtures, industrial, infra-red, mercury lamp (commercial and residen- tial)	536.0	7096.98
Marine lighting equipment and accessories	540.0	7097.00
Lightning arrestors	419.0	7039.00
Machinery, textile, clothing and leather, parts for repair and main- tenance of	831.0	
Machines, sewing, industrial	207.0	7552.00
Marine Diesel engine repair parts	829.0	7159.00
Metal working electric and pneu- matic tools, portable	365.0	7056.05
		7056.98
		7099.94
		7457.00
Meters, gas and water	603.0	7741.00
		7742.00
Office machinery:		
Accounting, posting, and billing machines	472.0	7752.00
Adding (listing) machines	472.0	7756.00
Addressing machines	472.0	7762.98
Composing machines	472.0	7779.00
Calculating and computing ma- chines	472.0	7757.00
Dictating, transcribing and shav- ing machines (excluding tele- cords and telephones)	472.0	7779.00
Duplicating machines	472.0	7763.00
Time recording machines	472.0	9591.98
Time stamps	472.0	9591.98

Commodity	CMP code No.	Depart- ment of Com- merce schedule B
Parts and accessories for locomotives and cars (MRO only)	100.0	
	101.0	
	102.0	
	103.0	
	104.0	
	104.0	
	184.0	
	185.0	
	514.0	
	834.0	
Plumbing and heating repair parts	821.0	
Plumbing fixtures, fitting and trim	571.0	6456.00
		6124.00
		6125.00
		5332.00
		5333.00
Pole line hardware	420.0	7098.00
Power and distribution transformers	403.0	7021.00
		7022.00
Power repair parts	822.0	
Radiators, cast iron	580.00	
Railroad and transit maintenance- of-way work equipment (MRO only)	164.0	
Railroad and transit signal equip- ment (MRO only)	514.0	7970.00
Rapid transit and street railway car accessories (MRO only)	102.0	7969.00
Railroad and transit track equip- ment (MRO only)	165.0	6051.00
		6052.00
		6053.00
Railroad car accessories (MRO only)	100.0	7969.00
Railroad locomotive accessories (MRO only)	101.0	7115.00
		7120.00
Repair parts:		
General industrial equipment	815.0	
Marine Diesel engine	820.0	
Plumbing and heating	821.0	
Power	822.0	
Textile clothing and leather ma- chinery, for maintenance and repair of		
Tools	833.0	7443.98
Transportation (MRO only)	834.0	7455.95
Sanitary ware, plumbing	570.0	5332.00
		5333.00
		6124.00
		6125.00
Scales and balances (except labora- tory)	473.0	6195.10
		6195.90
		6196.00
Screen cloth, insect, metal	704.0	6086.10
		6186.90
		7552.00
Sewing machines, industrial	207.0	
Sheet metal building products	705.0	
Specialty transformers	405.0	
Stokers, domestic (grate area 36 square feet or less)	593.0	6152.88
		7730.98
Stoves, cooking and ranges, domes- tic (excluding electric)	581.0	6139.00
		6143.00
		6144.00
Stoves, heating, domestic (excluding electric)	584.0	6143.00
		6145.00
		6146.00
Switchgear (MRO only)	407.0	
Tool repair parts	833.0	7443.98
		7455.95
Tools, metal cutting	362.0	6118.05
		6118.09
		6118.25
		6118.98
		6154.13
		6155.15
		6155.18
		6167.43
		6168.43
		6169.43
		7443.82
		7485.12
Tools, edge	645.0	
Adzes	645.0	
Augur bits	645.0	6157.10
Axes, including broad axes	645.0	6153.00
Hatchets	645.0	6160.00
Machetes	645.0	6119.00
Miscellaneous edge tools	645.0	6178.98
Saws, including machine knives	645.0	
Tools, hand	646.0	
Blow torches and fire pots	646.0	
" C" clamps	645.0	6178.98
Electric soldering irons	646.0	6098.00
Forks, hoes, and rakes	646.0	6161.00
Hammers	646.0	6160.00
Heavy forged tools	646.0	
Ladders	645.0	
Miscellaneous hand tools, indus- trial	646.0	
Miscellaneous hand tools, other	646.0	

Commodity	CMP code No.	Depart- ment of Com- merce schedule B
Tools, hand—continued.		
Shovels, spades, and scoops	646.0	6162.00
Steel wheelbarrows	646.0	7991.00
Steel wool	646.0	5413.00
Tools, mechanics hand service	647.0	6154.98
		6160.00
		6165.00
		6172.00
		6178.98
		6156.98
		6163.00
		6168.98
		6173.00
		6209.98
Transformers	510.0	
Transformers, specialty	405.0	
Transportation repair parts (MRO only)	834.0	
Trolley bus and motor bus acces- sories (MRO only)	103.0	7969.00
Unit heaters and ventilators	585.0	6162.88
Vacuum cleaners, industrial	428.0	7750.98
Ventilators, unit and unit heaters	585.0	6162.88
Warm air distribution equipment, registers, stoves, and smoke pipe	585.0	6152.88
Welding rods and electrodes	368.0	6088.00
		6091.03
		6457.00
Wiring devices and supplies, elec- trical	421.0	7095.00

Peru Developing New Industrial Center at Chimbote

Recently a steamer stopped at Chimbote, an ancient little farming town on the north coast of Peru, and loaded 200 tons of anthracite. That incident was full of significance, says the Office of the Coordinator of Inter-American Affairs. To Peru, it held the promise for development of an export coal trade. To Peru's neighbors, normally dependent on United States and Europe for fuel, it foreshadowed a nearby supply of wartime fuel. To the United Nations it spelled possible shortening of fuel supply lines in the Western Hemisphere, with saving in cargo space.

A year ago there were no facilities in Chimbote to supply ocean-going steamers with fuel brought from mines 100 kilometers distant. Chimbote then was but an obscure town on the desert coastal plain of Peru. It was much like those other little towns on the coastal desert that work their land by irrigation, except that Chimbote possessed a natural harbor on the Bay of Chimbote and was located at the gateway to the Santa River Valley, which has rich deposits of anthracite.

It would have been difficult a year ago to have visualized Chimbote as a modern port—an industrial city in the making. The town of 4,000, including the surrounding country, was rural. Life was carried on much in the same fashion as it had been handed down for generations since the days of the Incas, whose old irrigation ditches still mark the boundaries of the town. There were no sanitation facilities—no sewerage, no water supply.

Today Chimbote bustles with activity. In the interval of a year the whole face of the farming community has changed. A huge hopper of stone and concrete rises at the base of a sandy hill adja-

cent to the shore. Hundreds of workmen are hustling to put the finishing touches to the storage bin, capable of holding 40,000 tons of coal. Automatic loading of coal is provided for. Railroad tracks lead to a modern wharf installation, capable of accommodating four lighters.

Behind the transformation of Chimbote is a story of inter-American collaboration. Peru was aware of the potentialities of Chimbote, had laid rail lines from the anthracite mines to the town, built the Pan American highway through it, connecting with Lima 425 kilometers to the south. But the development of Chimbote into a modern harbor, supported with modern health and sanitation facilities, was a project of such broad scope as to invite the aid of a neighbor.

So the United States and Peru undertook the project in accordance with the inter-American pattern proposed at the Rio de Janeiro Conference of American Foreign Ministers in January 1942. Peruvian Government agencies assumed the task of installing harbor facilities under arrangement with the Export-Import Bank of Washington. Health and sanitation work is being carried on by a special agency set up by the Peruvian Government. In this cooperation, the agency utilizes joint funds of both Governments and receives United States aid through the Institute of Inter-American Affairs.

The first step is installation of harbor facilities to permit loading of coal on steamers by means of lighterage. The engineers on the job say this is virtually completed. Then the plans call for construction of a pier into the bay to load steamers directly.

The health work is being carried on with the view that some day the town will be developed into an industrial city, with many times its present population. Peruvian officials envision Chimbote as a steel-making city, utilizing ore floated up the coast by barge.

Value of Southern Rhodesia's Mineral Output Declines

The value of Southern Rhodesia's metal and mineral output for the first 7 months of 1943 amounted to £5,226,000, a decrease of nearly 4 percent compared with last year's production for the same period.

Gold production continued on a downward trend, the quantity for the period this year being 391,771 ounces, valued at £3,291,000, compared with 450,778 ounces with a value of £3,787,000 for the first 7 months of last year. Silver output reached 73,228 ounces in the 1943 period, as against 95,500 ounces in the January-July portion of 1942.

The manufacture of simple surgical instruments has been started on a small scale in Southern Rhodesia. Specially processed domestic steel is being used.

New Book and Reports

(Continued from p. 30)

COLLECTIVE SECURITY: THE WHY AND HOW. Joseph H. Ball. 1943. America Looks Ahead No. 9. 63 pp. Price, 50 cents. The author, who is the United States Senator from Minnesota, believes that this Nation must act now to formulate a clear-cut policy and must become a full partner in post-war organization. Points out the deeper significance of what we are fighting for in this war, shows what we must do (in his opinion) to prevent future aggression, and outlines the means of safeguarding American national security. Discusses the objections to collective security and analyzes the "illusions" which have dominated American thought on international cooperation over the past two decades.

Available from: World Peace Foundation, 49 Mount Vernon Street, Boston, Mass.

WHICH KIND OF REVOLUTION? W. D. Herridge. 1943. 169 pp. Price, \$1.75. The author believes that in the battle against want and unemployment English-speaking democracy has been fighting with one hand tied behind its back, and that the present war, illustrating how much we can produce, will result in the common man's unwillingness to live in an economy of scarcity. Points out the "dangers ahead" if the "old system" is reverted to in the post-war era, and discusses the need for a plan whereby optimum production and total use of resources will be established.

Available from: Little, Brown & Co., 34 Beacon Street, Boston, Mass.

MEET MR. BLANK. R. G. Waldeck. 1943. 184 pp. Price, \$2.50. The author introduces the man who will be the leader of tomorrow's Germans, the man with whom the Allies will make the peace.

Surveys the political divisions and the personalities. Attempts to answer the questions: Will the peace be made with the German generals? Will it be made with the bureaucrats or with a monarchy? Could peace be made with the emigrés, and will there be a new Talleyrand? How about big business, the communists, the Nazis, the Church?

Available from: G. P. Putnam's Sons, 2 West 45th Street, New York, N. Y.

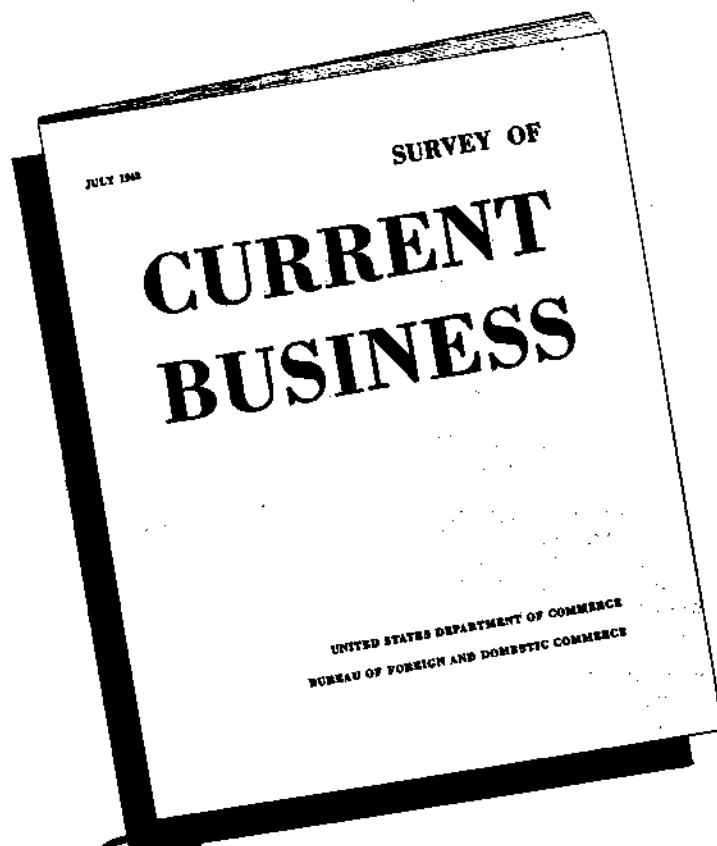
Dutch Moratorium Action

The Secretaries-General of the Department for Economic Affairs and the Department of Justice of the Netherlands Government in exile have issued a joint decree granting a moratorium on the payment of interest and the redemption of loans made before May 10, 1940. The moratorium is valid for the duration of the war or for a previously determined period, provided the debtor is able to prove that the assets for which the loan was made are outside the Netherlands and out of his supervision.

On the basis of this decree, the *Bataafsche Petroleum Maatschappij*—one of the leading Dutch oil companies—has postponed payment of the 4½ percent 1926 loan to a total of 36,000,000 guilders (\$19,440,000) and of the 3½ percent 1939 loans, for respectively 100,000,000 and 75,000,000 guilders (\$54,000,000 and \$38,500,000), until July 1, 1945.

A new irrigation canal, with a capacity of almost 36 cubic feet of water a second, has been put into operation near Las Matas de Farfan, in the Dominican Republic's frontier province of Benefactor. The canal is over 7 miles long and will irrigate an area of almost 30,000 acres along the Haitian border.





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Foreign Commerce WEEKLY



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November 13, 1943



BRAZILIAN DAM

Foreign Commerce Weekly

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Issued by the UNITED STATES DEPARTMENT OF COMMERCE, JESSE H. JONES, Secretary

THIS WEEK

Electrification for the American Republics.....	3
Foreign-Trade Disruptions Affect Rug Business.....	6
Northern Ireland.....	7

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 Seattle 4, Wash., 809 Federal Office Bldg.

News by COUNTRIES

Australia.....	10	Newfoundland.....	15
Brazil.....	10	New Zealand.....	15
Canada.....	10	Northern Rhodesia.....	15
Chile.....	11	Paraguay.....	16
Colombia.....	11	Peru.....	16
Cuba.....	11	St. Pierre and Miquelon.....	16
Egypt.....	12	Sweden.....	17
El Salvador.....	13	Turkey.....	17
France.....	13	Uganda.....	17
French North Africa.....	14	Union of South Africa.....	17
Haiti.....	14	United Kingdom.....	17
Iraq.....	14	Uruguay.....	34
Mexico.....	15		

News by COMMODITIES

Chemicals.....	18	Lumber and Products.....	24
Coal, Coke, and Charcoal.....	18	Medicinals and Crude Drugs.....	24
Construction.....	19	Nonferrous Metals.....	24
Electrical Machinery and Equipment.....	20	Nonmetallic Minerals.....	25
Essential Oils.....	20	Oils and Oilseeds.....	25
Foodstuffs and Allied Products.....	20	Paper and Related Products.....	26
Furs.....	22	Petroleum and Products.....	26
Iron and Steel.....	23	Rubber and Products.....	26
Leather and Related Products.....	23	Special Products.....	26
Livestock.....	23	Textiles and Related Products.....	27
		Tobacco and Related Products.....	27

REGULAR DEPARTMENTS

United States Export Control and Related Announcements.....	30	New Books and Reports.....	32
Trade-Mark Applications.....	29	Pertinent Comments on World Economy Today.....	11
Announcements Under the Reciprocal Trade Agreements Act.....	28	Contributor's Column.....	33

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PUBLISHED WITH THE APPROVAL OF THE DIRECTOR OF THE BUDGET (42 J. C. P.)

Electrification for the American Republics

(Countries Plan Large Hydro Programs for Post-War Era)

THE CONTINENT of South America, while exceptionally well endowed by nature with mineral resources of great value, has extremely limited commercial deposits of coal. Most of the deposits which do exist are insufficient in quantity, poor in quality, or badly located with reference to consuming centers. The need for importing large quantities of fuel is a heavy burden on the economies and finances of most South American countries.

Wartime restrictions on ocean shipping and the resulting shortage of imported fuel have caused many of the South American republics to take stock of their own resources of hydroelectric power and of the possibilities for future development.

Long-Range Interest Aroused

Development of potential power resources in the other Americas is retarded now by the difficulty of importing equipment from the United States and Europe. Only power projects most essential to production of strategic materials and civilian needs get priority on equipment. Nevertheless, wartime shortages of fuel and expansion of various industries have stimulated interest in long-range power programs.

Many of these republics have large unexploited sources of electric power—especially Brazil and the mountain republics along the Andes. Chile, which is 2,600 miles long, seldom more than 100 miles wide, and with mountains exceeding 20,000 feet in height, is an outstanding example of the Andean republics.

In Central America there are sites for possible hydroelectric installations, as, for example, the Lempa River in El Salvador. But since the power needs of most of these republics are relatively small at the present time, and the initial cost of hydroelectric plants and transmission lines is relatively high, the utilization of this potential power will probably await the fuller industrialization of these republics.

Mexico has many power sites, but most of them are remote from centers of population, and Mexico, blessed with an abundance of oil for fuel, has not been under the same pressure to develop its power as have been some other republics.

By CHARLES A. HOWARD, *Technical Director, Inter-American Development Commission*

Mexico's National Electrical Commission has a large hydroelectric project now under construction at Ixtapantongo in the Municipality of Valle de Bravo about 100 miles west of Mexico City. The first of three 38,000-horsepower generators is now about to be installed.

Uruguay's Broad Plans

Both Chile and Uruguay have nationalized the future production of electric power within their borders and have programs for the complete electrification of their public services, industries, and railroads. While Uruguay is not a mountain republic, its electrification program is one of the most advanced in South America because of long efforts to be free from the necessity of importing coal and oil for fuel.

Uruguay is fortunate in having a large water-power site located right in the

middle of the Republic and only 150 miles from the city of Montevideo. Work on this 3,850-foot dam on the Rio Negro to impound the largest artificial lake in South America was begun in 1937. But since, on account of the war, the original European contractor could not finish the work, including the installation of four generating units to develop a total of 121,600 kilowatts, the job was turned over to a United States organization.

A 30,400 kilowatt water-wheel generator (to be supplied by a U. S. company) will soon be installed at the Rio Negro dam and a transmission line to the city of Montevideo erected, thereby relieving that city of some of its dependence on imported fuels.

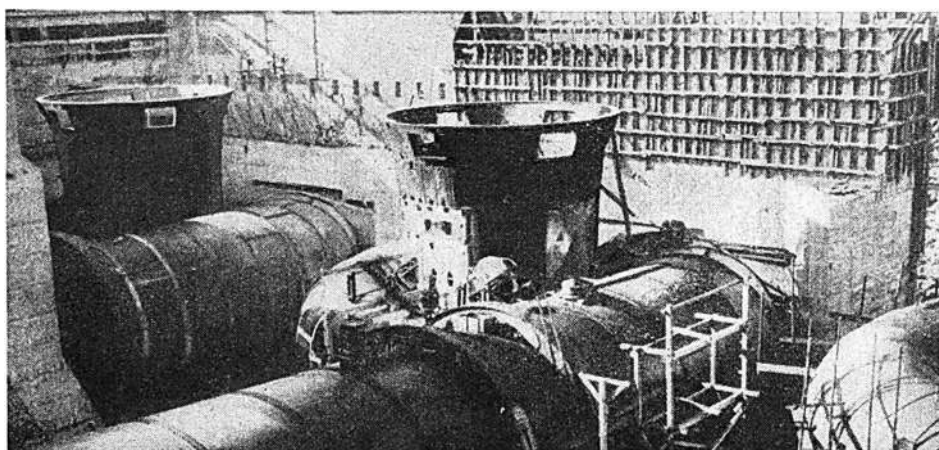
The total cost of the Rio Negro project, including four generators, the dam, and transmission lines, is reported to be approximately \$35,000,000.

This Rio Negro dam, which will impound a lake 87 miles long and with a maximum width of 18 miles, is intended as an all-purpose project, as it will not only supply electric power but will also provide for flood control, irrigation for



Sao Paulo, Brazil: The Lages powerhouse, looking south.

Courtesy C. I. A. A.



At the Rio Negro dam in Uruguay. Penstocks which conduct the water to the turbines.

farm lands, and navigation to deliver farm products to the market and manufactured products to the rural areas. Few projects offer all four of these facilities.

Several other water-power and irrigation projects are included in the long-range plans of Uruguay. These are as follows:

A dam on the Quequay River just north of the city of Paysandu, to develop 8,000 kilowatts.

A dam on the Arroyo Cunapiru in the north of the Republic to develop 10,000 kilowatts and to serve the cities of Rivera and Tacuarembó.

A dam on the Cebollati River in the eastern region to develop 11,000 kilowatts and to serve Maldonado, Treinta y Tres, and other communities.

While the average rainfall of Uruguay is 50 inches a year, this fluctuates between 25 and 72 inches, and there are frequent and sometimes serious periods of drought when it may not rain for months at a time. Uruguay is just now recovering from one of its worst droughts in 40 years.

Prospects in Chile

Chile's principal centers of potential hydroelectric energy, as cited in the plans of the Chilean Development Corporation, are located in the Aconcagua region to the north of Santiago, in the Rancagua region along the Rapel River just to the south of the capital, and in the Osorno region which includes the chain of lakes in the south.

While the rivers of Chile are not large, they plunge down from great heights to the sea and offer sites for high-head installations. Some of the lakes are well located for power development. In some of the southern Provinces the rainfall is in excess of 100 inches per year. The lakes, waterfalls, and rapids of southern Chile provide many power locations for chemical plants, smelters, and other large users of cheap power. Sites for hydroelectric plants have been surveyed at Tocopilla, Copiapo, La Serena, Coquimbo, Sauzal, Ovalle, Lontue, Maule, Laja, Pilmatiquen, and at El Volcan.

The Aconcagua system will be used largely in the production of Portland cement. This plant, together with other power stations, also will contribute to the electrification of the railroads and will provide power for new industries.

At the present accelerated rate of consumption it is estimated that the industries of Chile will consume 600,000 tons of cement per annum by 1945, or nearly double the production of 1939. Chilean interests have purchased two unused

cement plants in the United States which are to be dismantled for shipment and set up in the vicinity of Coquimbo, Chile.

Work in Four Zones

Guillermo More, Chief of the Department of Energy and Combustibles of the Development Corporation of Chile, describes the work in the four zones of activity of his department as follows:

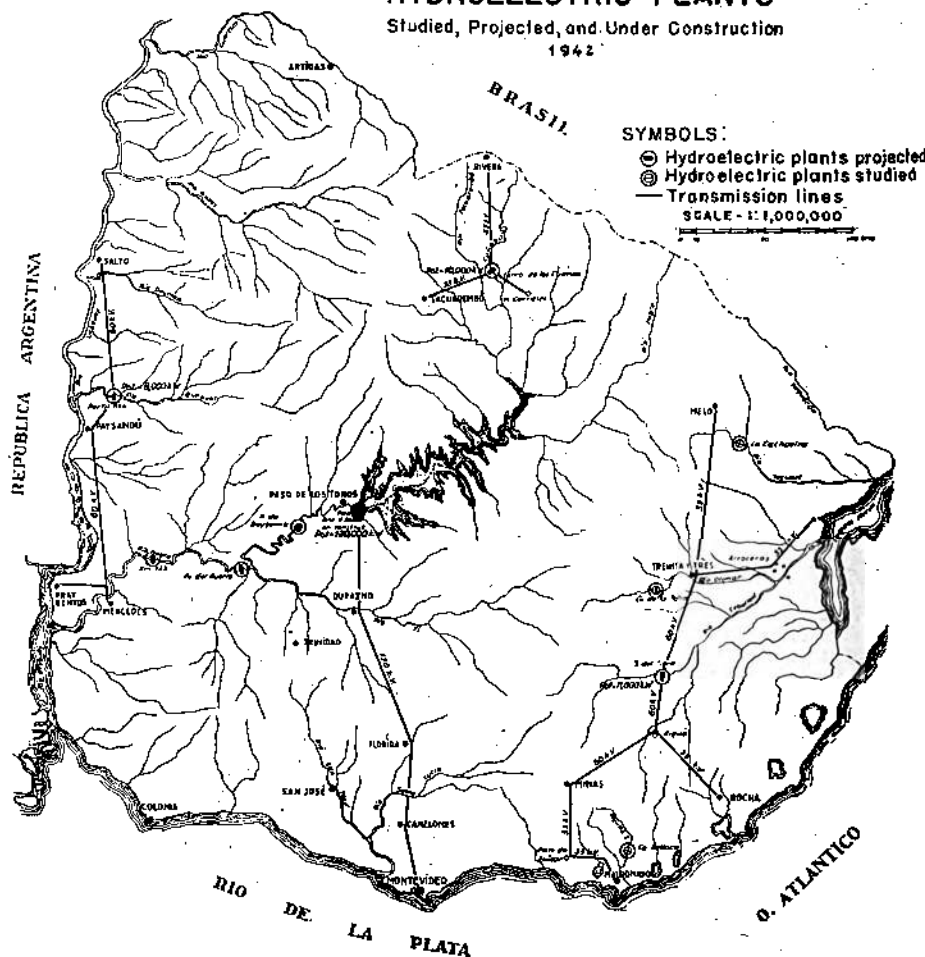
"In the southern zone in the vicinity of the estuary of Reloncavi and Puerto Montt, surveys have been made for the 'Ralun' generating plant which will use the waters of Lake Todos los Santos and will produce 50,000 kilowatts initial power and at least 126,000 in full development. Todos los Santos is one of a chain of beautiful lakes. It is 22 miles long, 500 feet above sea level, and only 15 miles from the coast. The nearby and smaller Lake Chapo can produce 39,000 kilowatts at a proposed site known as 'Canutillar'.

"In the zone of Valdivia-Corral the 'Manio' plant on the San Pedro River can produce 50,000 kilowatts with a possible ultimate production of 125,000 kilowatts. A 36-mile transmission line will bring the power to Valdivia, and 20 miles more will bring it to Corral.

"In the zone of Talcahuano-Concepcion-Penco the 'Abanico' plant on the River Laja is now under construction

HYDROELECTRIC PLANTS

Studied, Projected, and Under Construction
1942



Hydroelectric map of the Republic of Uruguay.

with an immediate potential of 40,000 kilowatts and a final capacity of 100,000. A 100-mile transmission line connects with the city of Concepcion. The extraordinary economy achieved in the construction of the plant warrants this unusually long transmission line. This is the most economical of all the plants included in the program.

"In the zone of San Antonio just south of the city of Santiago, the 'Rapel' plant is to be installed on the Rapel River with an initial capacity of from 60,000 to 120,000 kilowatts. A transmission line of 34 miles will connect with the port of San Antonio. Work has not yet begun on this dam, but the plans are far advanced."

The Development Corporation of Chile has agreed to allocate the sum of 900,000,000 pesos for the construction of this hydroelectric plant on the Rapel River. This, it is said, will be the largest installation of its type in South America. A part of the power will be used to electrify the State Railways.

The copper plant, with a capacity of 30,000 tons of finished copper a year, which Chile recently purchased from the United States, will produce copper wire for this national electrification program.

Bolivian Possibilities

Bolivia, as one of the mountain republics, has large reserves of hydroelectric power. Plants developing some 30,000 kilowatts are functioning at present and supplying light to cities and power to the mines. But this is only a fraction of the total possibilities in this field. Some authorities estimate that up to 4,000,000 kilowatts could be developed in this republic on the eastern slope of the Andes if the power could be used.

Lake Titicaca, it is believed, can be made to produce 700,000 kilowatts, which is more than is now produced by Boulder Dam. However, there is no market for this amount of power in Bolivia at the present time.

A recent decree authorizes the municipalities of Bolivia to organize mixed cooperative societies, with contributions from the State and the municipalities and from the subscribers themselves, for the exploitation of electric services. These societies are exempt from the payment of national, Departmental, and municipal taxes on imports of machines and materials. The conditions for enjoying these benefits are that the societies be formed as limited liability companies of cooperative type, and that the dividends or interest on the shares be limited to 19 percent per annum on the actual paid-up capital. The State will contribute to the foundation of the municipal electric cooperative societies' resources which represent at least 50 percent of the municipal contribution, for which purpose there will be included the necessary apportionments in the national budget of the industry services of the Ministry of Economy.

Situation in Colombia

Colombia now has a total of 346 electric plants, of which six belong to the

national Government or to the Departments, 199 to the municipalities, and 141 are in private hands. Together they produced 293,782,492 kilowatt-hours in 1942, at a charge of 10,817,192 Colombian pesos to consumers. The consumption of electric power in Colombia more than tripled between 1933 and 1942.

Colombia is now considering the construction of a plant in the vicinity of the city of Manizales in the Department of Caldas to serve the industries of this region, the cost to be in the neighborhood of 2,000,000 Colombian pesos.

A 12,000-kilowatt hydroelectric plant is planned for the Paez River between Paicol and Carnicerias, Department of Huila, and another plant is planned for Florencia in the Caqueta district at a cost of 70,000 pesos. Other activities include the completion of the hydroelectric plant at Trumesque, Department of Boyaca, and the beginning of work on a station at Titiribi, Department of Antioquia.

The Empresas Unidas de Energia Eléctrica of Bogota are constructing a dam at Soacha, 15 miles southwest of Bogota. This dam, which is 28 meters high and 560 meters long, with a capacity of 4,000,000 cubic meters, will make it possible to increase the output of this company by 60,000 kilowatts.

A capacity of approximately 161,000 kilowatts of electricity is produced in Colombia. Of this total, about 114,000 kilowatts are available to 2,000,000 inhabitants of cities and only 47,000 kilowatts to inhabitants of rural areas.

A recent Colombian law, known as the Economic Plan, authorizes the issue of 50,000,000 pesos in internal 4 percent, 30-year bonds, to be used, in part, for

the nationalization of public-utility enterprises now privately owned. The services of interest and amortization are to be met by the income from the enterprises nationalized.

Big Development in Peru

The Government of Peru, with the aid of an Export-Import Bank loan, is building a big hydroelectric development at Canon del Pato on the Santa River which flows into the Pacific just north of Chimbote Bay. Work on this project was initiated a year ago by Barton Jones, an electrical engineer who was previously associated with the Tennessee Valley Authority.

The project includes the installation of five generators of 25,000 kilowatts each, and the first two units are expected to cost approximately \$4,000,000. These units are scheduled to be completed by the end of 1945. Total power potential of the Santa River is estimated to be in excess of 500,000 kilowatts.

Recent discoveries of magnesium and the known coal deposits serve to highlight the variety of the minerals in this region.

To augment the electric-power supply of the city of Lima, a new dam is being built a few miles east of the city. This will increase the power-generating capacity to 91,000 kilowatts.

The Peruvian Government has approved the construction of 11 small hydroelectric plants, but work is retarded through lack of equipment. At the end of 1942 Peru had an estimated electric-power capacity of 225,000 kilowatts.

(Continued on p. 33)



Photo by Albert K. Dawson.

Rapids in the Petrohue River, southern Chile. This river drains Lake Todos los Santos; in less than 16 miles it drops 500 feet. This will be the site of the Ralun hydroelectric plant to develop 50,000 kilowatts.

Foreign-Trade Disruptions Affect RUG Business

By the War Production Board

RUGS of varying fibers, textures, and colors are still being turned out in this country, but in most rug factories men, machines, and materials have been utilized more for the production of war goods than for the manufacture of floor coverings, according to a supply-status round-up recently released. The war and the attendant foreign-trade disruptions are having a most pronounced effect on all phases of this business.

From converted carpet looms and carding machines come rolls of cotton duck for military tenting and tarpaulins, blankets for the armed services, webbing, yarns, and other war textiles. Out of rug-factory machine shops roll a host of ordnance items—torpedo turbine wheels, Navy gun-mount carriages, machines for loading tracer bullets—as well as the usual textile-equipment parts.

Only a fraction of the pre-war patterns, sizes, and grades of rugs are now being made. Simplification is the rug manufacturers' answer to the problem of carrying out a large-scale war-pro-

duction program and at the same time producing as many floor coverings as possible out of the reduced quantity of fibers available. Interruptions to international commerce form an exceedingly significant factor in cutting down certain supplies.

Wool Situation

Wool, a superior carpet fiber, may be used only at 25 percent of the rate at which it was used during the first 6 months of 1941. During that year rug manufacturers were able to use 183,000,000 pounds of wool. No carpet wool is produced in the United States, and now none can be imported from China, our former major source, from India, or from other Eastern sources.

A small amount of carpet wool is coming in from Great Britain and Ireland, and permission to import carpet wool from the Middle East has recently been granted. However, available shipping space is being utilized for wool suitable

for fabrication into apparel instead of floor coverings.

Rayon-and-wool and all-rayon rugs, developed largely as a result of last year's wool shortage, are encountering serious competition with rayon products for war. The same sturdy rayon yarns which make good rugs are needed to make military tires, parachute lines, and linings for military uniforms.

Cotton Goes Elsewhere

Of the Nation's total cotton production, 70 percent is going into production of the 11,000 different cotton items needed by the armed forces. Most of the remaining 30 percent goes to meet increased industrial, agricultural, and essential civilian demands. Nothing like the usual abundance of cotton yarn is available for rugs and carpets.

Duck, commonly used as backing for certain types of cotton rugs, must now go to fill military orders. Coarse cotton yarn, substitute for prohibited jute for the warp and weft of wool, rayon, and some cotton rugs, is now more urgently needed to replace scarce jute for binder twine and agricultural bagging.

Flax, and Tropical Fibers

Very little flax has been obtainable for linen rugs for more than a year. Imports from Belgium and northern France have been cut off. All the flax available from Peru, Canada, Argentina, and Chile, as well as all that can be grown in western States of our own country, must go to fill high-priority war orders or to make commercial fishing gear and sack-sewing twine.

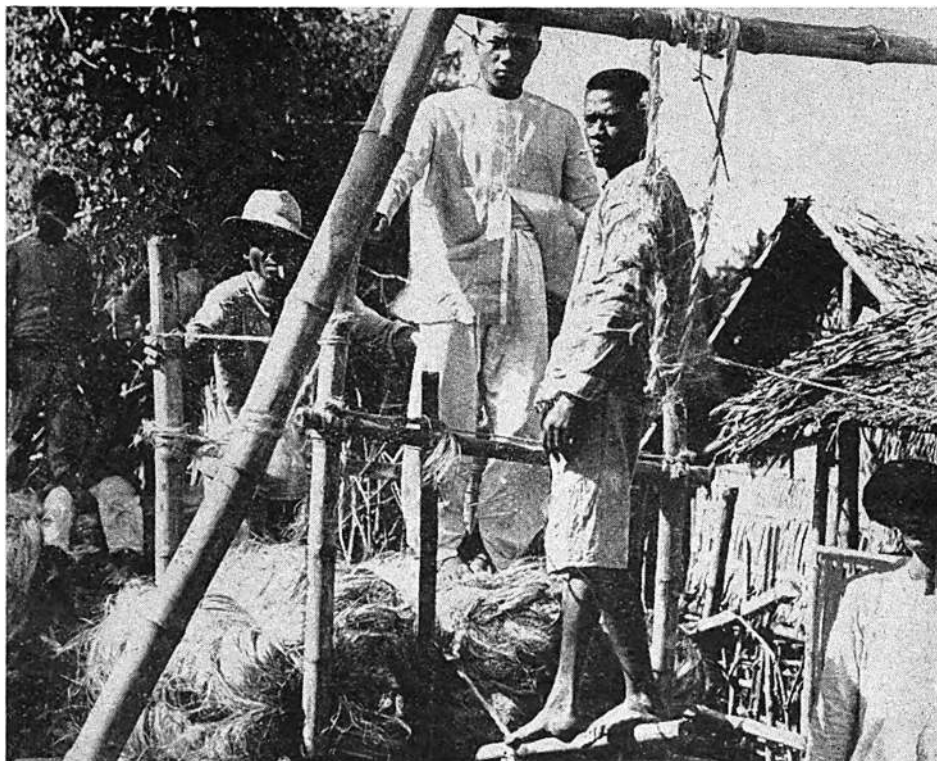
Civilians will see no new rugs or mats made of the tropical plant fibers—manila, sisal, hemp, jute—for the duration. All the hard cordage fibers that can be procured are needed by the armed forces and essential industry for rope, bagging tarpaulins, ships' caulking, engine packing, insulation.

Manila fiber, never raised successfully outside the Philippine Islands, now serves the enemy.

Supplies of sisal from the Netherlands Indies have been cut off. Whatever sisal can be imported from Central America, Mexico, and British East Africa must go first into rope for the Navy.

Too little Indian jute is available for war essentials, or floor coverings for

(Continued on p. 28)



"Civilians will see no new rugs and mats made of the tropical plant fibers [such as the manila hemp here shown] for the duration."

Northern Ireland—

*We're Interested in It Because of Our Soldiers—
But the Area Has Marked Economic Significance,
And Here Are Facts About Its Industry and Trade*

By DONALD F. HEATHERINGTON, *British Empire Unit, Bureau of Foreign and Domestic Commerce*

WITHIN THE PAST 2 years the American people have heard much more than ever before about Northern Ireland, as a result of the utilization of this section as a debarkation and concentration point for American troops in the European theater of operations. Of the soldiers stationed there, one from northern New England would find the area more nearly like that of home, both economically and topographically, than would one from any other section of the United States. It has the potatoes and shipyards of Maine, the textile mills of southern New Hampshire and Massachusetts, and the dairy farms of northern New Hampshire and Vermont. In area it is only a little larger than Connecticut. The coast line, like that of New England, is rough, rocky, and jagged; the inland country is hilly and rolling, the highest point being 2,800-foot Slieve Donard in the Mourne Mountains of County Down. Near Belfast is Lough Neagh, the largest lake in the British Isles, and in County Fermanagh in the southwest corner near the Eire border are the sister lakes of Erne. The percentage of land in forests, however, is the smallest of any country in Europe.

Government

Politically, Northern Ireland occupies a unique position. Under the terms of the Government of Ireland Act, 1920, provision was made for the division of Ireland into two parts, and in 1922 the 26 counties of Southern Ireland were constituted as the Irish Free State (now Eire). From the 9 counties of the old Irish province of Ulster, six (Antrim, Down, Armagh, Fermanagh, Londonderry, and Tyne) were grouped together to form Northern Ireland which, in contrast to Eire, remained an integral part of the United Kingdom. Today, therefore, Great Britain proper (England, Scotland, and Wales) and Northern Ireland together form the "United Kingdom of Great Britain and Northern Ireland."

Although the United Kingdom is a unitary state, Northern Ireland possesses its own Parliament, consisting of a Senate of 26 members and a House of Commons of 52 members. Executive power is vested in the Governor who acts

on behalf of the Crown, and definite reservations in the legislative and administrative power, including control over foreign affairs, military affairs, customs and excises, have been kept for the United Kingdom Parliament and Government. Actually, then, the Parliament of Northern Ireland legislates only on matters of purely local interest, except under delegations of authority by the United Kingdom Government. In addition, Northern Ireland has continued to send 13 members to the United Kingdom House of Commons from the six counties and the two parliamentary boroughs of Belfast and Londonderry. The political position of Northern Ireland is, therefore, somewhat similar to that occupied by a state or province under a federal system.

Population

Slightly over 1,200,000 people, or nearly one-third of the total population of all Ireland, are concentrated in Northern Ireland, although the land area is only one-sixth of the total for the entire island. Thus, the average density per square mile is slightly over twice that

of Eire, and the population is considerably less rural. Even in normal times nearly 40 percent of the people lived in the two centers of Belfast and Londonderry, and the proportion may be even higher now.

Approximately 90 percent of the people are native-born, and nine percent of the remainder were born in the British Isles. As a result of the revolt against the Stuarts and the policies pursued by Oliver Cromwell and William of Orange in the seventeenth century, the northern counties became an area of settlement for the Scotch and English from across the North Channel. These population movements have continued to be of importance in influencing the political attitudes of the area. Even today an Ulsterman may refer to himself as "an improved Scotsman."

Ulster and the War

On the outbreak of the war the political and geographic position of the country necessitated the adoption of special measures. Participation was not a matter for the local Parliament but for the United Kingdom Parliament to decide.



From Encyclopedia of the British Empire.
City Hall in Belfast, the capital city of Northern Ireland.

Under the terms of the Government of Ireland Act, 1920, the regulation of conditions arising out of or related to war were likewise matters for the Government in London. Thus, although Ulster went to war against the Axis powers as a part of the United Kingdom, active participation in the war was placed on a basis different from that in any part of Great Britain.

Eire's declaration and continuance of neutrality was instrumental in creating most of the problems and in influencing the decision of the United Kingdom Government to act differently toward Northern Ireland than toward Great Britain. A glance at the map of Ireland will show a land boundary with Eire to the south and west running for about 200 miles, and it is obvious that the task of supervising passenger traffic across this frontier would be difficult. On the other hand, the control of entrances into Great Britain could be simplified by regulating ship movements and patrolling the ports. Therefore, free communication between the various parts of Ireland was maintained, but travel between Ireland and Great Britain was severely restricted.

Likewise, it was decided by the Government that military conscription would be applied only to Great Britain and not to Ulster, although the Northern Ireland Government made repeated requests for the introduction of conscription into the Province. This decision on the part of the Government in London was undoubtedly prompted by the representations against conscription made by Mr. de Valera, Prime Minister of Eire, and by the feeling that, in the words of Prime Minister Churchill, "it would be more trouble than it was worth." Voluntary recruiting for service with the Royal forces has been carried on in Ulster, however, and a Home Guard similar to that of Great Britain has been organized as a measure of domestic protection.

Agriculture

In Ulster as in Eire the basic industry has been that of agriculture, with approximately one-third of the gainfully employed male population engaged in agricultural occupations. In no other part of the United Kingdom has agriculture been so important in peacetime. Although mixed farming has been predominant, the trend has been toward the cattle trade and dairying. Out of a total value of £14,500,000 for farm production in 1935-36, nearly 80 percent was represented by livestock and livestock products, and 13 percent by potatoes. Since the last war there has been a steady upward trend in livestock production and a steady downward trend in the acreage under crops. By 1939 less than 20 percent of the crop and grass area in the country was under cultivation.

With the exception of potatoes the output of field crops has been comparatively low in value, and for the most part this output is utilized domestically, either on the farms themselves or in the industrial areas of Belfast and Londonderry. Alongside this subsistence husbandry, however, an important export

trade in farm produce has been developed, principally with Great Britain. In 1937 the total value of food and drink exports from Northern Ireland amounted to over £8,500,000, of which eggs amounted to £1,884,000 and pork products to £2,631,000. In addition, livestock was exported to the value of £4,656,000.

Since for trade purposes Great Britain and Northern Ireland are considered as a single unit, and customs entries are not required for the movement of goods between the two areas, it is difficult to obtain values or precise descriptions of goods traded. Furthermore, there is a considerable transit trade in goods moving from Eire to Britain, and the exports are overstated to this amount. Allowing for the transit imports of similar commodities, egg and pork exports in 1937 still amounted to over £1,500,000 and £2,500,000, respectively, and livestock exports to £3,176,000.

Ulster is a country of comparatively small holdings. In 1937 the number of agricultural holdings under 10 acres amounted to 25 percent of the total, and the number under 30 acres to 65.4 percent of the total. Only 4.4 percent of the total were over 100 acres in size, as contrasted with nearly 21 percent in England and Wales, 20 percent in Scotland, and 8.8 percent in Eire. The trend has been toward increasing ownership of the land by the farmer-occupier and away from tenantry—a development which has received the assistance of the Government under the Land Purchase Acts, by the terms of which the Ministry of Finance will continue to collect land purchase annuities for about 60 years, at the end of which period all the land concerned will have been purchased and will be held in absolute ownership.

The Linen Industry

Next to agriculture the most important industry, and certainly the most famous, has been linen weaving, normally employing about one-fifth of the gainfully occupied population, either directly or through related trades. This industry was founded, it is said, by refugee Huguenot weavers in the late seventeenth century, and was fostered by William of Orange. It is probable, however, that the industry might not have survived had it not been for the climate which proved to be peculiarly suitable to the manufacturing processes involved. In the main, the industry is concentrated within a 30-mile radius of Belfast, but there are scattered mills and looms throughout the country.

In 1935, the last year for which definite information is available, the linen industry produced 146,000,000 square yards of linen piece goods valued at slightly over £6,000,000. Before the war the flax requirements of the industry amounted to over 30,000 tons annually, of which only about 5,000 tons were produced locally. To supplement this domestic supply it was necessary for Ulster to import flax fiber from the Baltic States, the Netherlands, Belgium, and northern France, at a cost of nearly £3,000,000. Practically the entire production of linen was in turn exported—between 55 and

60 percent to countries other than Great Britain, principally to the British Dominions and the United States. In 1937 these exports were valued at £15,600,000 for linen goods and £1,560,000 for linen yarn.

Shipbuilding, Engineering

Although coal, iron, and steel are not produced in any quantity locally, shipbuilding and the engineering trades rank as important industries. The Belfast shipyards are among the largest in the world, ranking with those of the Clyde, the Tyne, and the Wear in tonnage output. It has been estimated that 25,000 workers can be utilized in these Ulster yards when they are fully occupied, but the extreme variations of demand for new tonnage have kept the numbers actually employed considerably below this figure.

The engineering firms are chiefly engaged in the manufacture of textile and marine machinery in normal times, and have not been set up on a mass-production or high-precision basis. A large part of the output has normally been utilized domestically, either through incorporation in finished ships or in the textile factories of the area.

In addition to the industries mentioned, others of importance have been the rope and textile-finishing trades. More than 2,000 people have been engaged in the rope, cord, and twine factories of Belfast, which are capable of producing 350 tons of all classes of rope and twine per week. The textile-finishing and clothing factories account for another £5,000,000 of manufacturing output, a considerable part being sent to Britain.

External Trade and Transport

Essentially, Northern Ireland has been an exporter of finished products and foodstuffs, and an importer of raw materials and heavy manufactures. The total value of the external trade since the last war has averaged around £100,000,000 annually—about equally divided between imports and exports, but with a slightly greater value for imports than for exports. Nearly 90 percent of the exports have been consigned to Great Britain for consumption there or for re-export, and nearly 75 percent of the import trade has been from or through Great Britain. Practically all of this trade has moved through the port of Belfast, which owes its preeminence to its position at the end of a natural bay about 12 miles long, to the smallness of the tidal range, and to its nearness to Great Britain. The only other port of consequence is Londonderry on the north shore, also at the end of a long deep-water channel.

Three major railway systems operate in Northern Ireland and serve practically the entire area. Six minor systems also provide service, but with one exception their main spheres of operation are in Eire. The total length or route mileage of standard gage open to traffic at the end of 1936 amounted to approximately 622 miles, and the total length of narrow gage to 124 miles.

In addition to the railway systems there are six inland waterways open for traffic, all except one being privately controlled in 1938. In 1936 the tonnage carried over these waterways totaled 183,548 compared with 550,982 tons carried by railways operating wholly in Northern Ireland. The Lagan Canal runs between Belfast and Lough Neagh, the Lower Bann Canal controlled by the Ministry of Finance runs between Carlisleford Lough on the southeast coast and Lough Neagh, and the Upper Bann Canal between Castlerock (on the northwest shore) and Lough Neagh.

War's Economic Impact

The transition from peace to war has not been easy for Northern Ireland. Soon after the outbreak of the war all of the main sources of flax supplies were shut off, compelling a curtailment of linen output and throwing the linen industry back on the small amounts that could be obtained locally or from Eire. It was soon decided that an increase in domestic production was vitally needed, and it was agreed that the most immediate incentive would be an increase in the price paid to the farmer for the fiber. For 1941 the guaranteed price was approximately 150 percent above the pre-war level, and for 1942 it was 300 percent higher. In addition, Government officials made repeated appeals for increased acreage, but in many instances the growers were reluctant to expend so much effort on a crop which is a complete loss if weather conditions are unfavorable, as they were in 1941. In the early part of 1943 it was finally decided to grant an outright subsidy of £10 per acre to all farmers growing flax and to relieve them of a considerable part of the task of processing the fiber.

Despite all these efforts flax production has not been sufficient to meet the needs or capacity of the mills, even with the increased supply coming from Eire. Spinning was maintained at about 30 percent of capacity and weaving at about 70 percent during 1942, but the relatively high percentage for weaving has been largely due to the substitution of cotton and rayon fabrics. Although linen looms could be used in processing cotton cloth, spinning was less fortunately placed. In order to take up the excess labor supply of Ulster and make possible the release of workers in Britain for war industries, considerable effort has been expended on shifting textile manufacturing to this area. Accordingly, there has been a switch from the production of fine weaves to coarse piece goods needed by the services and to utility clothing made according to specification. Very little straight flax weaving is now being done, except for Government supplies requiring an all-flax fabric, and where flax is otherwise used it is ordinarily mixed with some other fiber.

Agriculture did not meet with as many adverse conditions as did the linen industry, but even here there has been a "veritable revolution." In the early days of the war Ulster farmers experienced a shortage of feeding stuffs, particularly corn, which had previously been



Removing flax from the lint hole, Northern Ireland.

imported in considerable quantities. This shortage necessitated a decrease in the volume of pig and poultry production, and for some time this situation proved detrimental to the bacon and egg trade with Britain. Farm implements and tractors became difficult to obtain, chiefly because of the demands of the mechanized branches of the armed forces for equipment.

More Land Cultivated

As a part of the general program of intensifying the production of domestic foodstuffs within the United Kingdom, there has been a considerable expansion in the total area under cultivation in Ulster. In 1942 every landholder was required to have at least 40 percent of his cultivable land under the plow, and this proportion has been increased to 45 percent for 1943. In most agricultural lines production has been increased, but pigs have continued to decrease in total numbers.

In the endeavor to increase production of farm commodities the Government has not only adopted a system of fixed prices and a guaranteed market, but has restricted the movement of agricultural labor (by requiring, among other things, that an agricultural laborer not so engaged be returned to the farm), has advanced the minimum wage rates for farm workers, and has set up a system which will provide for a gradually rising price level for particular farm products.

In addition, subsidization has been employed as a method of inducing increased production. During 1942 acreage payments were made by the Government at the per acre rate of £3 for rye and wheat, £2 for plowing up old grassland, and £10 for potatoes. More than £168,000 was paid out during 1942 under the Land Improvement Scheme, and £54,000 for breeding sheep under the terms of the Hill Sheep Subsidy Scheme. Farmers were also able to obtain supplies of fer-

tilizer at half cost, and to borrow for the purchase of seed, fertilizers, and livestock.

Although weather conditions have not been as favorable as might be desired, the Ministry of Agriculture has at the cost of considerable effort and subsidization been able to increase agricultural production to a notable extent and to direct this production along the lines of greatest need. There is reason to believe that agricultural output may be increased still further during 1943, barring unfavorable weather conditions. Emphasis during the current year is being placed on wheat, oats, barley, rye, potatoes, flax, and root crops, in an attempt to improve both the feedstuff and the foodstuff situations.

Manpower Questions

In the Belfast area the shipyards and engineering trades have been active in war production. Some time was required before these industries could be brought to the desired production level, since they were neither equipped nor designed for high-speed output. Raw materials had to be imported and machine tools provided before the industries could make their maximum contribution to the war effort.

As a result of these conditions and the contraction of the linen industry there has been a major unemployment problem. In September 1940, the figures showed a total of 73,591 persons unemployed, compared with 63,113 in August 1939. Since that time, however, there has been a definite decline. By April 1943, the number of registered unemployed was only about 20,000. Enlistments in the armed services, transfers of residence to Great Britain, and gradual absorption of workers into the war industries have all contributed to the decline in unemployment.

For a time repair work on buildings damaged in air raids took up some of

(Continued on p. 34)

News by COUNTRIES

Australia

Transport and Communication

Radio Licenses.—At the beginning of the current year, 1,342,512 licenses for single radio receivers and 30,840 licenses for more than one receiver were in effect in Australia, the foreign press says.

It is reported also that the Australian Government is considering the construction of two new regional broadcasting stations, one in Queensland and the other in western New South Wales.

Brazil

Exchange and Finance

Fiscal Operations for 1942.—Total budgetary operations of the Brazilian Government in 1942 resulted in a deficit of 1,166,200,000 cruzeiros, which is substantially larger than the 1941 deficit of 673,200,000 cruzeiros and the estimated deficit of 637,300,000 cruzeiros contained in the 1942 budget. The budget for 1943 provides for a deficit of 492,500,000 cruzeiros. The 1942 deficit was incurred in its entirety in the ordinary budget which included debt amortization payments and war expenditures. The extraordinary budget included only revenues and expenditures in connection with the 5-year special plan for public works and national defense instituted in 1939. Special revenues are assigned to it.

Budgetary operations of the Brazilian Government are shown in the following table:

[In millions of cruzeiros]

Item	1941		1942		1943
	Actual	Budget	Actual	Budget	
Ordinary accounts:					
Revenues	4,045.6	4,388.8	4,565.9	4,777.7	
Expenditures	4,539.6	5,026.1	5,748.0	5,270.2	
Deficit	794.0	637.3	1,182.1	492.5	
Extraordinary accounts:					
Revenues	719.5	600.0	611.1	600.0	
Expenditures	598.7	600.0	595.2	600.0	
Surplus	120.8		15.9		

The principal reason for the greater actual deficit in the 1942 ordinary accounts than that budgeted was increased war expenditures following the declaration of war by Brazil on August 31, 1942. The Minister of Finance has reported such expenditures at 517,300,000 cruzeiros. The principal changes in ordinary revenues in 1942 as compared with 1941 were an increase in income-tax receipts from 537,100,000 cruzeiros in 1941 to 988,400,000 cruzeiros in 1942 and a decrease in import taxes from 1,058,000,000 cruzeiros in 1941 to 674,200,000 in

1942. Ordinary revenues in 1942 also included 189,300,000 cruzeiros from the sale of war bonds.

The increase in estimated receipts in 1943 as compared with those of 1942 is accounted for largely by an estimated increase of 200,000,000 cruzeiros in income-tax receipts and of 121,000,000 in receipts from consumption taxes. Current income-tax receipts are substantially in excess of the estimates, collections in the first half of 1943 amounting to 336,800,000 cruzeiros as compared with 153,900,000 in the comparable 1942 period. Similar data on other categories of revenue are not readily available, but it is generally expected that receipts, excluding war-bond sales, will exceed the estimated receipts substantially. If expenditures are maintained at approximately the estimates, which do not include war expenditures, the deficit in the ordinary and extraordinary accounts for 1943 will be less than anticipated.

In addition to budgetary deficits, caused in part by amortization payments on the internal and external public debt, the Government's financial requirements in 1942 included 924,000,000 cruzeiros for the purchase of gold. The over-all deficit and gold purchases, totaling 2,090,200,000 cruzeiros, were financed largely by increasing paper currency in circulation (the issuance of which, in Brazil, is the exclusive prerogative of the Treasury) and by discounting short-term Treasury paper in the form of promissory notes with banks. Between the end of 1941

and 1942 currency in circulation increased by 1,591,300,000 cruzeiros and promissory notes by 391,400,000, a total of 1,982,700,000.

The public debt at the end of the 1941 and 1942 is shown in the following table:

[In millions of cruzeiros]

Debt	1941	1942
External:		
Funded	1,288.5	1,239.2
Floating	233.4	131.6
Total	1,521.9	1,370.8
Internal:		
Funded	5,971.0	5,290.2
Promissory notes	1,419.8	1,811.2
Deposit and similar funds	1,973.4	1,794.6
Total	9,364.2	8,896.0
Currency in circulation	6,845.5	8,237.8
Total debt	17,632.5	18,504.5

To finance the war effort, the Brazilian Government on October 5, 1942, authorized the issue of 3,000,000,000 cruzeiros in 6-percent war bonds, to be subscribed voluntarily to the end of 1942 and compulsorily beginning January 1, 1943. Compulsory subscriptions are being carried out by obligatory purchases by income taxpayers of an amount equal to the tax on their 1942 incomes and by wage earners through obligatory withholdings by their employers of an amount equal to 3 percent of their salaries and other remuneration.

In order to obtain revenue in anticipation of receipts from war-bond sales, two decrees of October 5, 1942, authorized the issue by the Treasury and rediscounting by the Carteira de Redescantos of the Bank of Brazil of 1,000,000,000 cruzeiros in 3-percent Treasury Letters. To the end of 1942 only 189,300,000 cruzeiros were subscribed. However, in view of the fact that war expenditures amounted to only 517,300,000 cruzeiros, it was necessary to rediscount only a portion of the authorized amount of Treasury Letters.

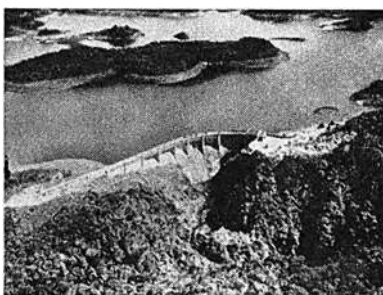
During the first half of 1943 obligatory subscriptions by income taxpayers amounted to 153,700,000 cruzeiros and subscriptions by wage earners to 282,700,000. Voluntary subscriptions have not been reported. It is probable, however, that expenditures in 1943 are exceeding subscriptions. This is indicated by the authorization on September 2, 1943, of the issue and rediscounting of an additional 1,000,000,000 cruzeiros in Treasury Letters.

Canada

Wartime Commodity Controls

Price Ceiling Placed on Grapefruit and Lemons.—Maximum wholesale and retail prices for grapefruit and lemons in

The Cover Picture



Brazilian Dam

Our cover picture this week should be considered as illustrating the feature article beginning on page 3, on "Electrification for the American Republics." This particular scene is in the State of Sao Paulo, Brazil, and it shows the Rio das Pedras Dam as seen from downstream. Dams such as this are symbols of the increasingly strong "drive" for hydroelectric development in the republics to the south of us.

Canada were fixed by an order of the Wartime Prices and Trade Board dated October 16. The price an importer may legally pay for grapefruit or lemons grown in the United States is restricted to the ceiling price fixed in the producing area by the United States Office of Price Administration. To this may be added brokerage and other recognized charges and transportation costs. A wholesaler is permitted to add to his laid-down cost a mark-up not exceeding 15 percent of his selling price on grapefruit or 17½ percent on lemons. A retailer's mark-up similarly is limited to 25 percent on grapefruit and 30 percent on lemons. If the retailer has imported the fruit in carload lots, maximum mark-ups of 32 percent and 35 percent, respectively, are permitted. The retailer must display price cards showing the size of fruit and the price. Price lists or advertisements must also give this information. The new order apparently means that in the case of these two commodities Canadian retail prices will be tied to United States ceilings. In the case of oranges, however, subsidized imports permit the Canadian ceiling to be lower.

Used Motorcars Price Ceiling Set.—Maximum prices for used motor vehicles became effective in Canada on October 25 by virtue of an order of the Wartime Prices and Trade Board. The ceiling prices on used cars are based on the prices for new vehicles, percentages being fixed to allow for depreciation according to the age of the model. For example, the ceiling price on a car between 8 months and 1 year old would be 95 percent of the price of a new car. Similarly, a car between 1 and 2 years of age could be sold for 85 percent of the maximum price of a new car and vehicles over 9 years old may be sold for 30 percent of such price. Additions to the ceiling prices may be made for handling charges, accessories, and transportation. The order applies to sales made by regular dealers as well as private sales. The regulations require sellers of used passenger motor vehicles to give the purchasers a written statement showing the names and addresses of the seller and purchaser, the terms of the sale, the price paid for the passenger motor vehicle, its make, model, model year, and serial number.

Tariffs and Trade Controls

Exemption from Export-Permit Requirements Covering Shipments of Fresh Lake Trout to the United States Suspended.—The Canadian Department of Trade and Commerce has announced that effective October 19, 1943, on the advice of the Fish Administrator, of the Wartime Prices and Trade Board, the exemption from requiring export permits for shipments up to 10,000 pounds weekly of fresh lake trout by licensed fishermen to the United States is suspended, and no exports of fresh or frozen lake trout may leave Canada except under export permit. No export permits will be granted for the present, until Canadian domestic requirements are filled.

The Minister of Trade and Commerce

explained that larger-than-usual supplies of lake trout are required this year for use by the Canadian armed forces and civilians to replace meat and salmon, and that these requirements were up to the present not satisfactorily filled.

The Minister stated further that since a large portion of the pack of Canadian salmon is consigned to the United Kingdom, other fish are needed to make up the deficiency in Canada and that exports must, accordingly, be controlled.

Chile

Tariffs and Trade Controls

Customs Entry Regulations Modified and Warehousing Fees Increased.—The maximum period for the storage of imported merchandise in Chilean customs warehouses was reduced from 12 months to 8 months and the storage fees collected on goods remaining in these warehouses for more than 4 months were increased by Chilean decree No. 3242, published in the *Diario Oficial* of October 9, 1943. These fees are now levied at the rate of 3 percent of the import duties payable on the goods, if withdrawn from the warehouse during the first 30 days or fraction, 4 percent of duty withdrawn during the second month, 5 percent for the third month, and 6 percent for the fourth month. If warehoused for more than 4 months, the fees are increased by 2 percent of the import duty for each additional month or fraction.

Bituminous Coal: Exemption From Payment of Import Duty Continued.—The exemption of imported bituminous coal from payment of all import duties, sales and statistical taxes, warehousing

fees, and other customs charges in Chile was extended until November 30, 1945 by Chilean decree No. 7559, published in the *Diario Oficial* of October 7, 1943.

Colombia

Exchange and Finance

Creation of a Bank by the National Federation of Coffee Growers Proposed.—At a recent meeting, the Medellin Departmental Committee of Coffee Growers discussed and approved a proposal for the establishment of a bank by the National Federation of Coffee Growers.

This bank would have a capitalization of 20,000,000 pesos provided by the National Federation of Coffee Growers. The purpose of the institution would be to supply a general banking service for coffee growers throughout Colombia as well as for producers of cotton and sisal and possibly livestock.

The principal office of the bank would be in Bogota with branches in all the Departmental capitals and any other important coffee-producing or agricultural cities.

If approval is given by the National Federation, then the plan will be sent to the other Departmental Committees for their suggestions and approval. It is understood that operation is hoped for during the first part of 1944.

Cuba

Economic Conditions

The prospective early start of the 1944 sugar crop has had a stimulating effect

Pertinent Comments on World Economy Today

(Being one of a series of excerpts from books, pamphlets, and speeches)

Problem of Reconstructing Europe's Agriculture

Agricultural developments in Europe in the period between the two wars were similar in character to those of industry. Each country endeavored to become self-sufficient as far as foodstuffs were concerned, with the result that, while some agrarian countries suffered from a chronic oversupply of agricultural products, in others marginal land was utilized under various costly protective schemes. The problems in the agricultural reconstruction of Europe, briefly summarized, are these:

1. Integration of production and the adaptation of crops to soil and climate which would enable the various geographical sections to raise the largest possible crops. This, of course, would lead to the diversification of agriculture and interdependence of farm products on the Continent.

2. Increasing productivity through the introduction of modern methods of production. The standard of living of people can be raised only if they are enabled to produce more per acre, which involves the use of modern farm machinery, as well as fertilizer and scientific rotation of crops.

3. Simple as this problem may appear from the theoretical angle, it is complicated because of the land-tenure system which prevails in many parts of Europe, and because in other instances the small holdings of the farmers prevent the utilization of modern machinery. The situation is further complicated by the existence in some countries of large landed estates and landless peasantry.

Integration of European agriculture would not only tend to lower the cost of food and to increase the standard of living of Europe but would also have a favorable effect on the economic and political relations of the various political units of Europe.

(From "Some Aspects of Postwar Economic Reconstruction of Europe," issued by the Institute of International Finance of New York University, New York City.)

on business activity in Cuba. September wholesale and retail trade was maintained at as high or higher levels than in the preceding month.

Wholesale prices for wheat flour and lard continued below ceiling prices because of excessive stocks. In contrast, the price situation for rice, beans, and onions remained tight because of short supplies, and ceiling prices were difficult to maintain. Substantial supplies of beef became available recently and trade in this commodity is nearing normal. The rise in living costs has threatened to nullify increased wages and salaries made to counter it, and a committee was appointed during the month to study living costs and their relation to the family budget.

BOARD OF ECONOMIC WARFARE CREATES ADVISORY COMMITTEES

The Cuban Board of Economic Warfare, which was established for the purpose of adapting Cuba's economy to present emergency conditions and preparing it for contingencies of the post-war period, resolved at a meeting held during the month to create several advisory committees composed of representatives from various important branches of Cuba's economy to assist it in attaining its objectives. It was also resolved to submit to the President a decree designed to encourage the establishment of war industries in Cuba to relieve unemployment and increase the supplies of strategic and other materials for the Cuban market as well as for the other United Nations.

CATTLE AND BEEF EXPORT REGULATIONS MODIFIED

Decree No. 2625 of September 13, 1943, authorized until July 1, 1945, the exportation of cattle and beef by the Commodity Credit Corporation. The decree became effective on September 29, 1943. Each Friday is designated as a "day of war cooperation" and on this day the distribution and consumption of beef as well as the slaughtering of domestic con-

sumption in Cuba is prohibited. For every 11 head of cattle slaughtered for domestic consumption in Cuba, 1 is made available to the CCC for export, but no more than 5 percent are to be exported as live animals.

NATIONAL FOOD CONGRESS HELD

The first National Food Congress was held in Habana on September 21 to 24, inclusive. The agenda of the Congress included discussions of cost-of-living, diet, importance of sugar both as a food and as a basic element of Cuba's economy, the study of meat production, dairying, marketing of food products, refrigeration, preservation and dehydration of foods, as well as the transportation thereof, and the conservation of agricultural resources and miscellaneous food industries.

FOREIGN TRADE

Imports in July were about 12 percent greater by value than for the preceding month, and 20 percent greater than the value of July 1942 imports. Exports during this month were double the exports of July 1942, but 7.2 percent below exports of the preceding month. During the first 7 months of 1943, imports were 13.8 percent greater than the 1942 figure, while value of exports increased 36.3 percent. There were no important shipments of vegetables during September. Shipments of fruit, consisting principally of grapefruit, were 20 percent larger than in September 1942, but were less than half the amount shipped in September 1941.

TOBACCO

The tobacco market in Cuba continues to be active. Exporters are continuing to ship filler to the United States. Most of this is being placed in bond for clearance after January 1, 1944, when a new quota year commences, the 1943 quota for imports from Cuba having been filled in the first part of May 1943. Farmers are enthusiastically looking forward to the next year as a result of gen-

erally remunerative prices received for the 1942-43 crop, and acreage will be increased considerably.

Larger quantities of cigars and cigarettes than in recent previous years are now being consumed in Cuba. In 1942 cigar consumption was 18 percent more than in 1941, according to official statistics. Present consumption is slightly ahead of 1942. Cigarette consumption also has increased. Consumption in 1943 is at about the same rate as last year. United States cigarettes are likewise being consumed in larger quantities. However, at present only about 1.3 percent of the cigarettes consumed in Cuba are imported, practically all of which originate in the United States.

Transport and Communication

Air Traffic.—International air traffic increased considerably during the first half of 1943. During this period, plane service between Miami, Fla., and Habana decreased, but interisland air travel increased. Movements of air express showed a considerable gain.

Egypt

Wartime Commodity Controls

Commercial Profits Limited.—A decree issued by the Egyptian Ministry of Commerce and Industry September 15, 1943, establishes maximum percentages of profit for commercial transactions. This decree, which became effective September 25, implements a proclamation of July 13, 1943, which gave authority to the Ministry of Commerce and Industry to fix by decree the maximum commercial profits of Egyptian manufacturers, importers, wholesalers, and retailers for any articles which in the opinion of the Egyptian Government are being sold at a higher-than-normal profit.

The new measure provides that the maximum profit permitted will be assessed as follows: In the case of a manufacturer, on the basis of a percentage of the gross cost of production; in the case of an importer, on the basis of a percentage of the expenses of importation; and in the case of a wholesale or retail dealer, on the basis of a percentage of the purchase price.

"Gross cost of production" is to be construed as including everything which relates directly or indirectly to the production of merchandise, and to the following items in particular: Cost of raw materials and fuel; salaries of workers; general expenses; expenses of management; and amortization. "Expenses of importation" are to include the cost of the merchandise in the country of origin plus the following items: Insurance and freight costs; customs dues, quay dues and any other expenses paid by the importer within the customs area; transportation charges from the port or station to the place of actual sale; and postage, telegraph, and other expenses incidental to the opening of the letter of credit.

Dutch Industry—and Labor Deportation

The annual report of 1942 of the Royal Railroad Car Factory J. J. Beynes at Haarlem, near Amsterdam, as published by the "Financieele Koerier" (Financial Courier), paints a somber picture of the obstacles facing Dutch industry, as regards the procurement of raw materials and skilled labor. According to the report, orders on hand at the end of 1941 and 1942, and deliveries made during the fiscal year, were as follows:

	Orders on hand Dec. 31, 1941	Delivered during 1942	New Orders during 1942	Orders on hand Dec. 31, 1942
Electric cars.....	48	41	23	28
Open freight cars.....	300	32	---	268
Closed freight cars.....	300	---	100	300

Apart from the scarcity of raw materials, the management stated the following reasons for its inability to fill outstanding orders; deportation to Germany of the greater part of its young skilled labor, the declining physical condition of the remaining workers with a resulting increase in absenteeism, high taxes, and increase of overhead expenditure.

The loss of labor in particular has been very harmful, the report added. In one year no less than 30 percent of all skilled workmen were taken away. Despite increased wage rates, the total expenditure for wages was far less than for 1942 than for the preceding year.

According to the decree the maximum percentages of profit authorized for the following products are:

Shoes: (1) Made locally, 15 percent for the factory and 30 percent for the retail dealer; (2) imported, 25 percent for the importer and 30 percent for the retail dealer.

Woolen piece goods: (1) Made locally, 15 percent for the factory and 25 percent for the retail dealer; (2) imported, 40 percent for the importer and 25 percent for the retail dealer.

Ready-made wearing apparel for men, students, and children: (1) Made locally, 10 percent for the workshop and 10 percent for the retail dealer; (2) imported, 20 percent for the importer and 10 percent for the retail dealer.

Household goods used daily (such as glasses, dishes, coffeecups, teacups, forks, spoons, and knives): (1) Made locally, 30 percent for the factory, 10 percent for the wholesale dealer and 20 percent for the retail dealer; (2) imported, 40 percent for the importer, 10 percent for the wholesale dealer, and 20 percent for the retail dealer.

All kinds of imported paper: 30 percent for the importer and 20 percent for the retail dealer.

Stationery supplies of all kinds (such as pencils, penholders, rulers, and erasers): 30 percent for the importer and 20 percent for the retail dealer.

Razors, shaving soap, tooth paste, brushes and combs: (1) Made locally, 20 percent for the factory, 5 percent for the wholesale dealer and 20 percent for the retail dealer; (2) imported, 30 percent for the importer, 5 percent for the wholesale dealer, and 20 percent for the retail dealer.

Tariffs and Trade Controls

Regulations Concerning Marking of Cotton Piece Goods and Yarns Suspended.—It is reported that the Egyptian Government has issued instructions to officials to suspend for the duration of the war, insofar as imported goods are concerned, the regulations contained in a decree issued April 7, 1943 regarding the marking of cotton piece goods and yarns.

[The decree of April 7, 1943, was described in *FOREIGN COMMERCE WEEKLY* of June 19, 1943.]

Commercial Law Digests

War-Risk Insurance Rates on Cotton Decreased in Egypt.—The premium (per month) assessed by the Egyptian Government for the compulsory insurance of ginned cotton against war risks has been reduced from three-tenths of 1 percent to two hundred and twenty-five thousandths of 1 percent in the case of cotton stored in the Alexandria, Suez Canal, and Suez zones and from one hundred and fifty thousandths of 1 percent to one-tenth of 1 percent for cotton stored elsewhere in Egypt.

The new rates, which were contained in a decree issued by the Ministry of Finance, became effective September 16, 1943.

El Salvador

Economic Conditions

Business conditions in El Salvador during September were seasonally slow, despite the increased volume of imported goods which had been arriving in the preceding several months. The princi-

Coinage Activity of South African Mint

The South African Mint has substantially increased its coinage production for other countries as well as for the South African Government.

In the past, though British sovereigns were coined, the Mint was seldom called upon to supply the needs of other countries. Now coins manufactured in South Africa are circulating in French Equatorial Africa, piastres have been coined for Egypt, money has been made for East Africa and Mauritius, and the Belgian Congo is seeking to have the Mint make no less than 100,000,000 coins. An order for 150,000,000 coins, placed by the Netherlands Indies before the Japanese invasion, was not filled.

It has been necessary to build up a reserve of South African coins to meet requirements resulting from wartime conditions, one of which is a certain amount of hoarding. Subsidiary coins issued during the fiscal year ended March 31, 1940, amounted to £69,800; figures for the next 2 years were £891,500 and £571,300, respectively. For the year ended March 31, 1943, coin issued by the South African Mint rose to £1,319,800—which was nearly 20 times as much as was issued in 1940.

The branch of the Royal Mint at Pretoria, established by arrangement with the British Government in 1922, was formally transferred to the Government of South Africa in July 1941. The Mint then became a department of the Union Treasury.

pal factor discouraging sales was believed to be the high price level, which, for imported goods, rose in August to 85 percent above the relatively normal year 1938. Estimates of the 1943-44 coffee crop remained at 1,050,000 bags of 60 kilograms each, and domestic trading on the future crop proceeded at a normal pace. The Committee of Economic Coordination expanded its price-control activities and planned to include in its program a wide variety of imported and domestic products. Requests for higher wages increased.

AGRICULTURE

Exports for coffee during the 1942-43 quota year increased 9 percent in volume and about 20 percent in value over the 1941-42 year. The proportionately greater increase in value was partly because the percentage of washed coffee, which is higher in price, was greater in 1942-43. Recent estimates place the crop for the last quota year at 917,890 bags, almost all of which went to the United States. Sales of coffee of the 1943-44 crop, as of October 6, represented about 14 percent of the expected crop, and prices remained steady. It is considered probable that the Government may increase the export tax on coffee, but no definite action has yet been taken.

The situation with respect to the cotton, sugar, and basic food crops continued to be satisfactory.

INDUSTRIAL EXPANSION

Increased domestic and export demand has stimulated most industries. Although the textile mills continued to operate at full capacity, they were unable to supply the greater demand for cotton thread from the hand-weaving industry. The Salvadoran Committee of Economic Coordination is therefore planning to ration this product and will also fix a maximum price for it. Small ironworks and foundries are providing for many local needs, particularly with respect to repairs, which were formerly taken care of abroad. The possibility of using banana fiber in manufactur-

ing sacks for agricultural produce is being considered.

BUSINESS CONDITIONS

Retail sales in August were lower than at any time since November 1942. The turn-over in all lines was about 72 percent of normal (1938) as compared with 94 in July and 110 in March. Prices of drugs rose to only 127 (1938=100) and the volume of sales was nearly normal (96). On the other hand, prices of imported foods, drygoods, and hardware were, respectively, about 84, 80, and 67 percent above normal. Sales of the last two products averaged about three-fourths of normal volume. The turn-over of stores similar to United States department stores was from 45 to 60 percent of the 1938 level.

The petitions of local transportation companies for an increase in freight rates has been rejected by the Government, which expressed the opinion that higher rates are not justified by conditions resulting from the war.

COST OF LIVING AND WAGES

While the cost of living of the lower middle class is estimated to have risen to about 38 percent above normal, incomes have advanced very little, which has given rise to increasing demands for higher salaries.

Following a Presidential decree of September 2, 1943, which provided for price control by curbing excessive profits, the Committee of Economic Coordination will establish maximum prices for many imported and domestic articles.

France

Tariffs and Trade Controls

New Trade-Organization Committees Established.—New trade-organization committees were established in France for general warehouses, substitute fuels and lubricants, oil works, fat melters and margarine makers, hair dressers, and wholesale trade in knit goods and

Comparative Costs of Living

The September number of the League of Nations Monthly Bulletin of Statistics, when has just been published by the League Mission at Princeton, N. J., contains, in addition to the usual tables, special graphs illustrating the movement of wholesale prices and cost of living during 1940-43 in a number of countries.

Wholesale prices and the cost of living are shown to have risen in all the 34 countries included, and in most countries wholesale prices have risen more than the cost of living.

The following table shows for the principal countries the position, with respect to the pre-war level, of wholesale prices and cost of living at about the middle of 1943 (January-June, 1939=100):

	Wholesale Prices	Cost of Living
Canada	137	118
United States	135	124
Peru	205	144
Argentina	198	119
Chile	198	196
Mexico	150	161
Iran (1942)	350	303
India	314	195
Palestine (1942)	294	272
Egypt	250	235
Union of South Africa	149	125
New Zealand	145	116
Australia	139	124
United Kingdom	166	130
Germany	109	112
Finland	239	187
Hungary	205	155
Denmark	194	155
Norway	180	151
Turkey (1942)	521	340
Portugal	226	158
Switzerland	205	150
Sweden	179	149

¹ Jewish cost of living.

² In 1942.

In the United States, wholesale prices have risen less than in any of the other countries except Germany.

haberdashery, by orders published in the Journal Officiel (Vichy) during January, 1943, according to L'Exportateur Français.

Paper Bags, Boxes, and Wrapping Paper: Import Duties Suspended.—Import duties were suspended in France on bags, boxes, and other packing of paper or cardboard, and on paper not elsewhere specified, surface coated in white or in color, by an order published in the Journal Officiel of January 16, 1943, according to L'Exportateur Français of January 29.

Copper Powder and Small Plates: Import Duties Suspended.—French import duties on small plates and powder of hard metal (copper) were suspended by an order published in the Journal Officiel of January 7, 1943, according to L'Exportateur Français of January 15.

Pyrites, Sulfuric Acid, Superphosphates, Sulfate of Ammonia: Price-Equalization Taxes Established.—Price-equalization taxes were established on pyrites, sulfuric acid, superphosphates, national phosphate fertilizer and sulfate of ammonia, held in stock in France on

September 26, 1942, by a decision published in the Journal Officiel on January 12, 1943, according to L'Exportateur Français of January 22.

French North Africa

Tariffs and Trade Controls

Wheat and Barley: Taxes and Premiums Fixed for 1943 Crop in Algeria; Prices Increased.—Taxes and premiums were fixed and official prices were increased on wheat and barley of the 1943 crop in Algeria, by a decree of August 10, 1943, issued by the French Commissariat for Production and Commerce.

Statistical taxes of 4 francs per 100 kilograms on hard or soft wheat and of 5 francs per 100 kilograms on barley were fixed, to be deducted by the stocking organizations from the price of each 100 kilograms of soft wheat, hard wheat and barley delivered by the producers.

To finance measures taken to limit the price of bread, a compensation tax of 16 francs is also to be deducted by the stocking organizations from the price of each 100 kilograms of soft wheat and hard wheat delivered by the producers.

Premiums and allowances are to be applied to soft or hard wheat and barley according to a scale annexed to the decree. For such grains of the 1943 crop already delivered to the stocking organizations, a differential premium is to be paid, which will put them on a level with the increased prices.

The minimum rate of extraction of flour from soft and hard wheat, not to exceed 90 percent, is to be fixed by the Governor General of Algeria.

The net prices per 100 kilograms delivered to an authorized granary of the National Cereals Office were fixed by this decree as follows (former prices in parentheses): 420 (365) francs for soft wheat weighing between 75 and 75.999 kilograms per hectoliter; 435 (380) francs for hard wheat weighing between 75.5 and 78.499 kilograms per hectoliter; and 315 (251.50) francs for barley weighing between 58 and 58.999 kilograms per hectoliter.

[See FOREIGN COMMERCE WEEKLY of August 28, 1943, for announcement of the prices replaced by this decree.]

Haiti

Tariffs and Trade Controls

Honey: Export Specifications Established.—Standard specifications for honey for export have been established by the Haitian National Service of Agricultural Production and Rural Education, according to a communiqué published in Le Moniteur, of August 9, 1943. Honey destined to be exported will be inspected by a representative of the Service, and unless regulations are fulfilled regarding purity, density, filtration, and sanitary preparation, exportation will be prohibited. The use of barrels previously containing petroleum, salted meat, or fish, even if paraffin lined, will not be permitted.

Iraq

Exchange and Finance

Results of Government Accounts for Fiscal Year 1942-1943.—The Iraqi fiscal year ended on March 31, 1943, with large increases in both Government revenues and expenditures over 1941-42, and a surplus of 768,000 dinars.

Total receipts of the ordinary budget increased 46 percent—from 6,706,000 dinars to 9,814,000 dinars. The largest part of the increase is attributable to taxation on agricultural produce (from 1,137,000 dinars to 2,046,000 dinars) and customs and excise (from 3,283,000 dinars to 4,443,000 dinars), and to a considerable extent it is the result of the higher prices on which taxes are levied.

Total expenditures of the ordinary budget increased 37 percent—from 7,533,000 dinars in 1941-42 to 10,350,000

dinars in 1942-43. Nearly all items of expenditure were larger. Disbursements for the Ministry of Defense, one of the largest items, increased from 2,297,000 dinars to 3,018,000 dinars.

In the capital-works budget there were comparative declines in revenues from 3,156,000 dinars to 2,190,000 dinars and in expenditures from 926,000 dinars to 887,000 dinars. The decline in revenues is accounted for by the fact that an advance of 1,000,000 dinars from the oil companies was included in the accounts for the year 1941-42. A similar advance appears in the current 1943-44 budget.

Mexico

War-time Commodity Controls

Tire and Tube Production Further Reduced for Passenger Automobiles and Increased for Trucks and Busses.—Manufacturers of automotive tires and tubes in Mexico have been required to reduce production and sale of tires and tubes for passenger automobiles to 30 percent of 1941 sales, and to increase production of truck and bus tires and tubes by 28 percent of 1941 sales, by terms of an Executive decree, published and effective October 5, 1943. Previously, production had been reduced to 75 percent of 1941 sales for passenger automobile tires and tubes and increased by 10 percent for truck tires and tubes.

[For previous announcement, see FOREIGN COMMERCE WEEKLY of May 1, 1943.]

Tariffs and Trade Controls

Additional Products Made Subject to Prior Export Permits.—The exportation from Mexico of sulphuric acid and ethyl ether has been made subject to prior export permit from the Department of National Economy, according to a Mexican Presidential decree, published and effective October 14, 1943.

The Department will authorize the exportation of these products only when in its opinion the needs of the domestic market have been satisfied.

[For previous announcement of products placed under export restriction, see FOREIGN COMMERCE WEEKLY of July 7, 1943.]

Poultry Eggs Placed Under Export Control.—Poultry eggs of all kinds have been placed under export control in Mexico, requiring a prior export license, issued by the Ministry of National Economy, before exportation will be permitted, under provisions of an Executive decree, published October 15, 1943, and effective the day following.

The Ministry will issue licenses for the exportation of eggs only when the needs of the domestic market have been satisfied and subject to requirements that the Ministry will establish in each case.

Newfoundland

Tariffs and Trade Controls

Cod Oil Made Subject to Export Permit.—Cod oil may not be sold for export

or exported from Newfoundland except under permit obtained from the Newfoundland Fisheries Board, according to an announcement by the Acting Commissioner of National Resources and published in the Newfoundland Gazette of October 12, 1943.

Such permits are subject to conditions which the Board deems fit for regulating the export of cod oil and such conditions may include the price at which cod oil is to be sold for export or exported and other terms of sale, including the time and place of export.

Authority is granted the Board to cancel a permit previously issued if the holder has not complied with any of the conditions under which the permit was issued.

New Zealand

Transport and Communication

Railway Traffic Increased.—Tonnage of freight carried on the New Zealand railways during the 4 weeks ended May 29, 1943, increased 6.9 percent over the corresponding period ended May 23, 1942.

Passengers carried during the 4 weeks ended May 29, 1943, totaled 3,626,395, an increase of 55.3 percent over the total in the corresponding period in 1942.

Northern Rhodesia

Economic Conditions

A post-war project for native development, involving the formulation of

5-year plans on a district and provincial basis, has been announced by the Government of Northern Rhodesia in its Memorandum of Instruction to Provincial Commissioners.

The instruction calls for a plan to be drawn up by each provincial commissioner in the form of a descriptive memorandum, accompanied by detailed estimates of additional local staff and expenditures required in each of the 5 years covered. A separate schedule is to be prepared for necessary departmental services which cannot be locally estimated—that is, development of water supplies. The provincial plan is to be a coordinated compilation of similar district plans.

It is contemplated that when the 5-year plan for each province is complete it will be submitted to the Chief Secretary, who will refer it to the Native Development Board. When approved by this Board, it will be referred to the heads of the various government departments for the necessary estimates for central services to maintain district requirements.

The Memorandum of Instruction includes directions for utilizing natural and physical resources, improving the standard of living of the natives, and initiation of an educational system, including ordinary schooling and instruction in land utilization, crafts, and moral and ethical standards. The Memorandum reminds all officers that plans for the future must emphasize the utilization of demobilized soldiers in the development of the native reserves and their inhabitants.

Huge Air Base in Northern Brazil a Symbol of American Ideals

One of the mightiest air bases in the world, hacked from desolate wilderness in less than a year by the cooperative effort of Brazil and the United States, has been playing a vital role in bringing Allied victory ever closer. And its importance as a bulwark of democracy has been matched by its importance as a concrete symbol of American energy and resourcefulness and American ideals of solidarity and progress.

The vast Parnamirim air station, 15 miles from Natal on Brazil's northeastern bulge, was built in accordance with an agreement signed between the two great American republics. Before 12 months had passed, a harsh, lonely wilderness had been converted into a huge, sprawling city of runways, hangars, shops, living quarters, and all the other installations needed to keep an airport larger than New York's La Guardia Airport functioning on a wartime basis.

Completion of Parnamirim coincided with the beginning of the end for Hitler and his companions in international crime, says a statement by the Office of the Coordinator of Inter-American Affairs. The mammoth airport became the chief funnel through which thousands of battle planes and transports passed, to fly the Atlantic at its narrowest point. It became an important base of operations for antisubmarine air patrols guarding shipping lanes along Brazil's coast. And it helped to eliminate the menace of attack and invasion from abroad when that menace seemed more than a mere possibility.

How important Parnamirim has been to the defense of the whole American Continent was expressed by President Roosevelt, Gen. George C. Marshall, and other Allied leaders when they acknowledged Brazil's contribution to the huge defense project. The Allied leaders readily admitted that the African and Sicilian victories, the invasion of Italy and the resulting downfall of Mussolini, and the coming liberation of all Europe might never have been possible without Parnamirim. And Parnamirim is still growing, bringing victory and peace nearer with each new runway and installation.

Paraguay

Exchange and Finance

New Unit of Currency Established.—By the promulgation of decree law No. 655, dated October 5, 1943, the Paraguayan Government has established a new unit, the guarani, as the national currency, to replace the peso. The guarani is divided into 100 centimos. It is to be equivalent to 100 of the former paper pesos and the centimo to 1 peso. Thus at the current buying rate of 300 Paraguayan paper pesos per dollar, the guarani is valued in United States currency at 33½ cents.

During a period ending December 1, 1945, the peso notes outstanding at present are exchangeable for guarani notes or surcharged (appropriately stamped) peso notes at the rate of 100 to 1. During the years 1946 and 1947 peso notes which have not been surcharged will cease to have legal tender value, but will be exchangeable for guarani notes at the rate of 100 to 1; after December 31, 1947, they will cease to have monetary value. Upon the coming into force of the law, all prices, taxes, fees, salaries, and contracts are to be expressed in guarani, except international obligations, salaries paid to nonresident foreigners for services rendered temporarily within Paraguay, and obligations for services which by virtue of special laws are payable in foreign currency or exchange.

The new unit is not linked to gold nor to any foreign currency. The law provides that pending any other solution the stability of the guarani is to be maintained in relation to other units which are dominant in Paraguay's balance of payments by the Central Bank "upon the basis of the types of exchange in existence at the time of the application of this decree law."

Under the new law responsibility for paper money as well as metallic coins is placed in the Bank of the Republic. Heretofore, the bank has been responsible only for paper currency in denomi-

nations of 50 pesos and more. Notes in denominations of less than 50 pesos, as well as coins, were the responsibility of the National Government. Placing responsibility of coinage in the Central Bank is an innovation in monetary legislation.

Peru

Economic Conditions

Peruvian economy appears to be weathering the stress of war remarkably well, although transportation difficulties, sporadic shortages of various foodstuffs, and some inflationary trends have appeared.

Aside from damage to the cotton crop by insects and disease, crop conditions along the Peruvian littoral were generally favorable during the latter part of August and September, while in the Sierra regions conditions appeared normal. Sugar producers are viewing market conditions with restrained optimism, particularly in view of sales to United States buyers, inquiries from other markets, and the continued high level of domestic consumption.

The Peruvian Cotton Chamber has lowered its estimate of the 1943 crop to 1,100,000 quintals of 48 kilograms, with the possibility that further reductions in crop yields may have to be made. The total area planted to cotton in Peru is unofficially estimated at about 125,000 hectares for the 1942-43 season, compared with 155,000 hectares for the preceding year. Flax acreage in the Sierra has been increased to about 1,800 hectares this season, encouraged by the completion of the new scutching mill at Huancaayo and the prospects of high profits.

The Peruvian coffee quota for the United States market has been tentatively set at 27,500 bags of 60 kilograms for the year beginning October 1. Preliminary figures indicate a rice crop of 71,000 metric tons in districts north of Lima, while southern Peru continues to be self-sufficient in rice. Rice purchases in Ecuador and Chile to date are considered sufficient for the local needs of central and northern Peru for the remainder of 1943 with a month's extra supply. The food-supply problem appears less critical than in earlier months of the year, although it continues to receive close attention from the Food Mission of the Office of the Coordinator of Inter-American Affairs and from Peruvian governmental agencies.

Peruvian manufacturing industries continued to operate at full capacity and with favorable profits. Wage increases were approved for textile workers in the Lima-Callao area. Regulations for the registration and reregistration of pharmaceutical specialties were approved. Within certain strict limits, "straight" gold mines were permitted to apply for materials and equipment to keep operating, while base-metal mines continued to make satisfactory progress. The United States demand eased for Peruvian metals other than sheet mica, copper, and zinc.

Regulations were issued requiring reg-

istration of all companies and enterprises engaged in littoral fishing, and of sales or direct use of all fish residue by fish-production plants under penalty of fines. The prior permission of the Ministry of Agriculture was also made necessary to the exportation of fish products of all kinds.

Domestic cement and gypsum prices were increased.

The wholesale-price index rose from 427 in July to 432 in August, and the cost-of-living index from 242 to 247. New price-control measures were adopted at the close of August, involving a "roll-back" of maximum ceiling prices to the period from April 1 to 30 and the regulation of import prices prior to customs clearance. An inventory of Peruvian economic resources is to be made.

The United States continued as the principal supplier of Peruvian imports from the standpoint of value and as the principal buyer of Peruvian exports. Despite war handicaps, the United Kingdom has also maintained an important volume of trade with Peru. During the last 3 years Peruvian trade with Argentina has shown important shifts, caused by enlarged Peruvian purchases of a progressively wider range of commodities in Argentina simultaneously with decreased shipments to that country of Peruvian petroleum products.

War-time Commodity Controls

Prices Established for Certain Oil-Bearing Products.—The Peruvian Government has fixed local prices for hulled and unhulled peanuts, sunflower seeds, sesame seeds, and castor beans according to a supreme resolution dated October 14, 1943.

The decree also provides that the Government will acquire directly from the producers all quantities of these products which may be offered for sale from the 1944 crop.

Transport and Communication

Highway and Other Developments.—The Huanuco-Pucallpa highway was officially opened in September, three bi-motored planes were added to the Panagra fleet operating out of Lima, and the Peruvian Commercial Aviation and Airport Corporation was formally organized.

New facilities for the entry of tourists' vehicles and for effecting importations by commercial air lines were approved. Credits were opened to enable the Peruvian Government to take over wharves from the Peruvian Corporation at Chimbote, Salaverry, and Pacasmayo, and for repair and maintenance materials for the Tablones-Huallanca railway and the Chimbote port.

St. Pierre and Miquelon

Tariffs and Trade Controls

Council of Fisheries Established.—A Council of Fisheries was created in St.



Pierre and Miquelon, replacing a former Consultative Committee of Local Fishing, by order No. 308 of August 27, 1943, published in the Journal Officiel of August 15-31 of that colony.

The new Council, which groups the representatives of producers, merchants, and services charged with the control of fishing, labor, and supplies in St. Pierre and Miquelon, is to advise on:

- (1) The orientation of the industry of products and byproducts of fishing.
- (2) Measures to take for increasing the output and improving the preparation and packing.
- (3) Economic problems resulting from the sale of the production, such as the questions of exportation, shipping, search for advantageous outlets and commercial relations with foreign markets, and, in a general way, on all economic questions and problems arising from the maritime activities of the islands and looking toward their improvement by means of fishing.

The former committee, which had been reestablished on May 30, 1930, was understood not to meet the present needs.

Sweden

Transport and Communication

Canal Traffic.—The Falsterbo canal, cut through the southwestern tip of Scania, Sweden, is reported by a foreign trade publication to have been used by 10,000 vessels from its completion in August 1941 to July 1943.

The canal was built to provide a safe passage for steamers and to shorten the way from the Baltic Sea to the Oresund.

Turkey

Transport and Communication

Projected Railway.—A 99-mile railway line to connect the cities of Narli, Antep, N'z'p, Birecik, and Kardanis is projected for southern Turkey. Necessary material and equipment are available and construction will start immediately.

A line connecting Antep and Kilis is being considered.

Uganda

Wartime Commodity Controls

Returns on Crude-Sugar Production and Trade Required.—Manufacturers of crude sugar in Uganda were asked to make returns regarding stocks on hand as of September 30, estimated monthly production for the period October to December 1943, and a detailed report of their present foreign contracts for this commodity, according to the Uganda Gazette of September 30.

Licenses have been required for the export of all sugars since September 10.

Tariffs and Trade Controls

Import-Duty Surcharge on Gasoline and Similar Products Repealed.—Repeal of the surcharge of 16½ percent of the import duty levied in Uganda on gaso-

line and products ordinarily used as such became effective as of June 1, according to the Official Gazette of September 30, 1943.

Union of South Africa

Economic Conditions

MANUFACTURING INQUIRY SCHEDULED

The Chairman of the Board of Trade and Industries in the Union of South Africa has just announced that the Board is about to undertake a special investigation of the manufacturing industries in the Union. The main purposes of the investigation are to determine what can be done to raise the standard of productive efficiency and lower production costs, and to ascertain to what extent war industries can revert to peacetime activities, and whether or not they can absorb additional demobilized manpower. The report to be issued by the Board at the conclusion of its research is expected to give the Government a complete over-all picture of manufacturing industries in South Africa which will be of use in post-war conferences dealing with international-trade relationships and will also enable the Government to formulate a future industrial policy for the Union.

Demand for consumers' goods continues high and many articles formerly imported are now being manufactured locally, such as clothing, woodenware, household requisites, toys and novelties, and drug-store lines. This is considered by most merchants, however, to be a mere wartime expedient which will be modified by the competitive impact of imported goods as soon as international trade channels are restored to normal operations.

COST OF LIVING

The cost-of-living index rose during August to a new high of 25.3 percent above the pre-war figure. The rise was principally in food, fuel, and rent.

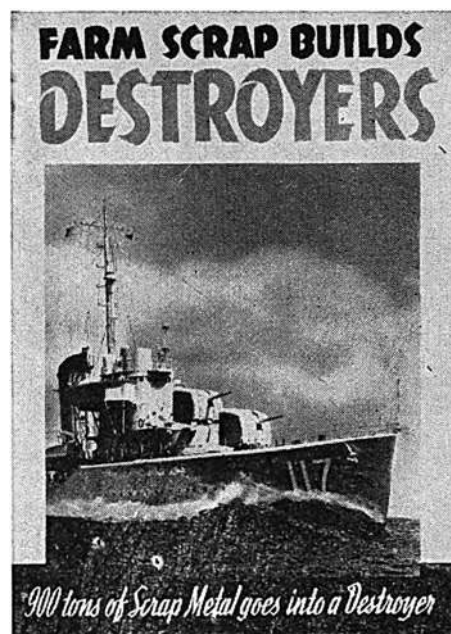
AGRICULTURAL CONDITIONS

Spring planting of cereals began in August but it was feared that scarcity of phosphatic fertilizer, formerly imported from the Netherlands, may cause a reduction in the corn yield.

GOLD MINING

Gold production declined during August to 1,059,932 ounces valued at £8,903,429, a reduction of 29,776 ounces and £250,118 from the July figure. The total gold output for the first 8 months of 1943 was 978,453 ounces below the figure for the corresponding period of 1942. This decrease is due to a shortage both of producing materials and of native labor. In August, only 295,000 native laborers were employed in the mines on the Rand.

Nevertheless, gold shares are rising on the Johannesburg Bourse. Mines in the West Rand are especially popular as one



U. S. Department of Agriculture

mining house has announced newly discovered gold prospects in the Orange Free State.

Exchange and Finance

Financial Developments.—Equally indicative of buoyant economic conditions is the increase in the Union's Government revenue for the April-August period. Receipts totaled £37,230,000 as compared with £33,752,000 for the corresponding period of 1942.

The note circulation reached a new high of £47,171,000 in September, according to a statement of the South African Reserve Bank, having more than doubled since 1939. The statement also shows a new high in the gold holdings of the Bank. On September 24, gold holdings stood at £78,158,000 (statutory valuation), an advance of £660,000 over that of the preceding week. "Other assets," representing mainly the gold premium account, stood at £64,369,000, an increase of £790,000.

United Kingdom

Tariffs and Trade Controls

Renewal of Agreement Concerning Purchase of Rubber from French Cameroun and French Equatorial Africa.—The agreement concluded in 1942 between the French National Committee and the British Government, concerning the purchase of rubber produced in Fighting French Africa (French Cameroun and French Equatorial Africa), has been renewed without change for the period from July 1, 1943, to June 30, 1944, according to a notice published in the Journal Officiel of French Equatorial Africa on September 1, 1943.

[See FOREIGN COMMERCE WEEKLY of April 17, 1943, for announcement of the conclusion of this agreement.]

(Continued on p. 34)

News by COMMODITIES

Chemicals

NITROGEN-FIXATION PLANT IN OPERATION, NEW SOUTH WALES, AUSTRALIA

A New South Wales factory has recently added a plant for the fixation of atmospheric nitrogen at a cost of £500,000, the foreign press reports.

At present the plant is concentrating on the manufacture of materials for explosives, but later it will produce chemicals, dyestuffs, and fertilizers.

CANADIAN FERTILIZER PRODUCTION

Canadian fertilizer production in 1942 was valued at \$20,005,585, reports a foreign trade publication.

The output included 391,000 tons of mixed fertilizers and 280,000 tons of superphosphate, synthetic ammonium sulfate, and ammonium phosphate.

INCREASED ALCOHOL MANUFACTURE IN CHINA

Alcohol manufacture in China has been stepped up tremendously since the war, the Chinese press reports.

This rapid increase is reflected in the production index, which climbed from 100 in 1938 to 2,566 in 1942.

Bags for Cuba's Sugar Mills

Approximately 5,300,000 Cuban sugar bags are to be released by the War Production Board for distribution to Cuban sugar mills to fill 1944 requirements, it was announced recently by the Cordage Branch of the Textile, Clothing, and Leather Division of the WPB. The bags, which are scheduled for August-November shipment from India, are 50 inches by 30 inches in size and will be shipped from Calcutta where they were purchased by the U. S. Office of Economic Warfare.

Intended to fill the needs of the Cuban sugar centrals (mills) for the 1944 crop, the bags will be distributed by the Defense Supplies Corporation to centrals that have not yet filled their quotas.

In connection with the announcement, the Branch made the following statement, "Such centrals as have not yet completed their purchases should submit their orders accompanied by certificates from the Cuban Sugar Stabilization Institute, Habana, either direct or through their agents, to the Cordage Branch, Textile, Clothing, and Leather Division of the War Production Board, Washington, D. C., by December 1, 1943."

NEW CANADIAN CHEMICAL PLANT COMPLETED

A plant for the production of activated silica gel has recently been completed in Canada, a foreign chemical publication reports.

This is the first Canadian factory to prepare this material, it is stated.

SULFURIC-ACID PRODUCTION INCREASED IN CHINA

The factory operated in collaboration with the National Resources Commission of China will increase its annual sulfuric-acid output from 300,000 kilograms to 1,000,000 in 1943, to meet a growing demand from industry, say Chinese press reports.

It is also planned to produce nitric acid.

GERMANY PRODUCING ALCOHOL FROM POTATOES

A considerable part of the German potato crop is being used for alcohol production, the European press states.

More than 40 percent of this year's crop reportedly will go into the production of power alcohol.

JAPAN TO INCREASE NITRIC-ACID PRODUCTION

Efforts are being made to step up sharply the production of nitric acid in Japan, according to a Japanese broadcast, and a production-increase plan, drafted by the Ministry of Commerce and Industry, will be put into force.

An order calling for expansion of installations is understood to have been issued to eight companies, which will affect nine leading factories.

GLUE MANUFACTURE, SOUTHERN RHODESIA

The manufacture of glue has attained full-scale production in Southern Rhodesia and a very satisfactory product has been developed, the African press reports.

Output could easily be increased for export purposes, it is stated.

Gelatine is expected to be manufactured soon.

SPAIN'S ALCOHOL STOCKS INCREASE

There has been a considerable accumulation of stocks in the Spanish alcohol industry. On January 1, 1943, approximately 2,675,000 gallons were on hand.

Production during the first quarter of 1943 totaled 6,455,000 gallons and consumption was 5,567,000 gallons. At the end of the quarter stocks had risen to about 3,563,000 gallons, an increase of more than 33 percent.

SWEDISH PLANT SEEKS NEW USES FOR ARSENIC

Extensive research has been conducted in Sweden to find new uses for the arsenic produced by Boliden, one of the largest mining and industrial concerns in the world.

The company recently began construction of six large silos at its smelter works in Ronn Skar for the storage of arsenic. Stocks are said to total about 350,000 tons.

SODIUM-SILICATE PRODUCTION INCREASED IN THE UNION OF SOUTH AFRICA

Sodium silicate is being produced from local raw materials by two additional factories in the Union of South Africa, one in Johannesburg and one in Durban, the foreign press reports.

The Union formerly imported more than 4,000,000 pounds of sodium silicate annually. Some of Indian origin is also sold in East Africa for soap making. It is hoped that domestic manufacturers will be able to supply substantial quantities of the product to both markets.

TAR MARKET ACTIVE IN U. K.

The United Kingdom tar market has continued to maintain full-scale activity in all its branches, a British chemical publication reports.

Production of tar acids has increased to such an extent that the handling capacity of refineries is being taxed. As a result, there have been substantial shipments to the United States of crude and other "nonschedule" tar acids through "Pamtas."

PLASTIC FROM PAPER USED IN U. K.

A paper-based plastic material is being used in the United Kingdom to make battery boxes for Army pack radios, a British chemical journal states.

The composition, it is said, combines two valuable properties—it is very light in weight and is resistant to battery acid.

This same plastic is employed for making containers for anti-malaria equipment, first-aid boxes, Oxford vaporizers, and surveying instruments. Land-mine detectors are also made chiefly from it.

Coal, Coke, and Charcoal

COAL RATIONING IN BULGARIA

Coal rationing for households in Sofia, Bulgaria, and vicinity, for the period from September 15 to December 21, 1943, is being handled as follows:

Households with one or two members, authorized to heat one room, will receive half a ton of coal plus a quarter of a ton for kitchen use; lacking a kitchen, only half a ton is to be received.

Households with three or four members allowed heat for two rooms, will get three-quarters of a ton for heat and a quarter of a ton for kitchen use, unless there is no kitchen, in which case only three-quarters of a ton will be allowed.

Households with five or more members, authorized to heat three rooms, will receive 1 ton of coal for heat and ½ ton for kitchen use.

Fuel merchants are instructed to furnish coal first to households which did not receive coal during the preceding quarter.

The general policy in distributing coal is to supply first those homes housing a newborn child, small children, or sick persons, or families whose head is either mobilized or a war invalid. Upon receipt of a special order issued by the Commissariat of Supply, the first three categories may receive one-third more coal than the quantity allowed by the general rationing plan.

PERU'S COAL DEPOSITS STUDIED

The importance of Peru's coal deposits was stressed by President Prado in his message to Congress on the mineral industries of Peru. Attention was called to studies and exploitation designed to provide coal for export as well as for domestic consumption. Improvement of transportation facilities for coal also was mentioned.

In the region of Huayday and the Callejon de Huaylas, exploitation of coal concessions has been expedited to a point where there is enough tonnage to be put on the market when road and port construction are completed.

Promising results were obtained from studies of deposits in the region of Sillapate, district of Unturo, Province of Huarochiri.

A study of asphaltite deposits in the Junin region was made for the three-fold purpose of utilizing fully the calorific value, obtaining various products from its distillation, and recovering the vanadium from the ashes.

Looking toward supplying fuel to the southern region of Peru and perhaps to Bolivia, explorations have been made of deposits in Carumas and Moquegua, and some in the Departments of Puno and Cuzco.

The anthracite mines in the Ancos region of Peru employ 300 men. Shipments will be from the rapidly expanding port of Chimbote.

For domestic use, President Prado advocates replacing charcoal with coal, to conserve wood. Laboratories of the Cuerpo de Ingenieros de Minas have tested a fuel that is reported to have the advantages of charcoal, is less costly, and can be used in present appliances.

The Banco Minero is taking an active part in the exploitation of the Oyon coal mines with a view to the production of semidry or domestic coke to replace charcoal. Road improvements to these mines have been authorized.

Coal production in Peru increased from 75,447 metric tons in 1938 to an estimated 120,000 metric tons in 1942.

COAL OUTPUT IN THE U. K.

Coal output in the United Kingdom for a 52-week period ended in June 1943 amounted to 201,500,000 tons. A labor force of 704,000 is expected to drop by the end of the year to 690,000, representing output at the rate of less than 300 tons per man per year.

Construction (Including Highway)

BUILDING PERMITS ISSUED IN BUENOS AIRES, ARGENTINA

Building permits issued in Buenos Aires, Argentina, in July numbered 1,459 with a declared value of 16,185,490 pesos. In June, 1,360 permits, valued at 15,586,244 pesos, were granted; in July 1942 there were 1,403 permits, with a value of 15,806,605 pesos. While there was an increase in permits, the surface covered by these permits showed an opposite trend. The area covered in July 1943 was 142,339 square meters, compared with 161,000 square meters during June, and 188,000 square meters in July of last year.

For the first 7 months of 1943, 9,233 building permits were issued for an aggregate construction value of 114,296,108 pesos and a surface coverage of 1,058,221 square meters, compared with the corresponding period in 1942, when 8,688 permits, calling for work valued at 91,167,280 pesos and involving 892,562 square meters of floor area were issued.

This is an increase of 6.3 percent in the number of building permits issued; 25.4 percent in the total construction value; and 18.6 percent in the area covered.

CONSTRUCTION IN CANADA

Construction contracts awarded throughout Canada in August 1943 had a declared value of \$23,900,000, compared with \$16,200,000 in the preceding month.

Restrictions now being imposed, primarily to conserve materials, are having the effect of postponing many building programs until after the war.

BUILDING PERMITS IN CHILE

Permits were granted in Chile in July 1943 for 62,217 square meters of construction at an estimated cost of 62,655,800 pesos. In June, permits were issued for 60,959 square meters of construction valued at 60,889,500 pesos.

IRRIGATION PROJECT COMPLETED IN CHINA

Irrigation projects under construction or projected in Shensi Province, China, will bring water to approximately 2,333,300 acres of land. Only three one-fourteenths of the program, however, is expected to be completed by the close of 1944.

Since the creation of the present irrigation plan in 1930, seven projects have been completed serving about 314,000 acres. Six additional projects, which will irrigate approximately 172,300 acres, are now under construction. Plans have been formulated for eight more projects when funds and materials become available.

IRRIGATION PROJECT COMPLETED IN CHINA

Agricultural production in the Meng Chiang district of China, has increased as a result of the recent completion of the Sangchien River dam and irrigation system. This work was started in 1941

Canadian Fresh Fish for the U. S. A.

In normal times, an average of about 64 cars of fish, mostly salmon and halibut, is shipped out of Prince Rupert (British Columbia) each month by Canadian National Railways—most of it going to New York, Philadelphia, Chicago, St. Louis, and other big cities in the United States. This year, the average has climbed to 150 cars a month—an increase of almost 150 percent.

During summer months, these refrigerator cars are packed with ice and inspected along the line by railway express messengers, and cars are re-iced if necessary. In the winter months, the men have an entirely different job to do. They must make sure that the temperature in the car never goes lower than 15 below zero—as it does in Canada. Then they have to light fires in heaters which are kept in the fish cars for that special purpose. Otherwise, the customers would get frozen, not fresh, fish.

and involved an outlay of 30,000,000 yen, according to the Japanese.

The Shangkan River dam, started in September 1941, is also reported completed.

PROJECTED SUBURB OF DUBLIN, EIRE

A construction program to cost more than £2,000,000 is outlined for the town of Cabra, a suburb of Dublin, Eire.

Six hundred buildings are being constructed to accommodate about 4,000 families.

The settlement will have a new church, a boys' school, and a vocational school. Other features include two shopping centers, a children's playground, and factory spaces. A swimming pool has been provided in the Tolka Valley near Cabra.

IRRIGATION INSTITUTION ESTABLISHED IN IRAN

To develop and improve irrigation in Iran, the Independent Irrigation Institution has been established by the Government and will operate under the direction of the Ministry of Agriculture.

The Institution will have supervision over all irrigation activities of the country, including irrigation establishments, constructions for the division of river water, public channels, and public pools and springs whose water is used for cultivation.

PUBLIC-WORKS PROJECTS IN TURKEY

Press announcement has been made by the Ministry of Public Works of Turkey that work is to start soon on three flood-control and irrigation projects. These include the construction of a large dam to prevent floods of the Seyhan River, at an estimated cost of

Brazil's New Construction-Materials Allocation

An allocations system for the distribution of construction materials has been established in Brazil. Construction projects are divided into three categories: (a) essential, (b) current or ordinary, and (c) deferrable.

Materials subject to the control of the Coordinator of Economic Mobilization will not be allocated to category (c) projects, and will be allocated to category (b) projects only when surpluses are available and essential needs have been met.

Essential civil works are those necessary to the war effort or to utilities and services strictly indispensable to the life of the people. Civil construction works classed as deferrable include those whose execution does not constitute the establishment of new utilities or the substantial improvement of the existing ones; and those which, though bringing about the advantages mentioned, do so relative to utilities whose services, in the present situation, should be considered as nonessential. All other civil construction works are considered current or ordinary.

2,000,000 Turkish pounds; construction of dams at Dampullu and Karadere at an expenditure of approximately 1,690,000 Turkish pounds; and the reinforcement of the Gediz Dam near Menemen.

Electrical Machinery and Equipment

PROJECTED HYDROELECTRIC PLANT, COLOMBIA

The Governor of the Valle del Cauca Department, Colombia, has been authorized to establish a company for the construction of a hydroelectric plant at Achicaya, says the foreign press.

Total cost of the project is expected to be about 8,000,000 pesos (approximately \$4,571,200) but initial capitalization of the company will be 2,000,000 pesos (about \$1,142,800).

WORK ON MANCHURIAN HYDROELECTRIC PLAN PROGRESSING

Construction work is progressing on the Huanjen hydroelectric power plant on the Hu River in Fengtien Province, Manchuria, states the Japanese press.

NEW HYDROELECTRIC PLANT EASES POWER RESTRICTIONS IN AREQUIPA, PERU

The Sociedad Eléctrica de Arequipa, Ltda., of Peru, has almost doubled its power supply by constructing a new hydroelectric plant at Charcani, a suburb of

Arequipa. This plant, built at a cost of approximately 1,000,000 soles (about \$153,845) is reported by the Peruvian press to be equipped to generate 3,200 horsepower. The combined capacity of the two old plants is 3,500 horsepower.

Completion of the Charcani plant will make it possible for the company to improve public-lighting service in Arequipa and also to provide power for stoves, heaters, and other household appliances, the use of which previously was restricted.

Essential Oils

NEW ZEALAND'S IMPORTS FROM THE U. S.

The New Zealand Customs Department has released figures showing that essential oils and mixtures valued at £NZ11,126 were imported from the United States during the month of June. This amount brought the cumulative total for the first 6 months of 1943 to £NZ46,743.

Foodstuffs and Allied Products

Coffee and Cocoa

ECUADOR'S COFFEE CROP

Estimates indicate that the 1943 Ecuadoran coffee crop will surpass crops produced in the past few years.

Deliveries at the port of Guayaquil during September 1943, continued on the same heavy scale as in the preceding month, totaling 22,000 quintals of 101.4 pounds each, and deliveries at the port of Manta, the coffee export center for the principal coffee-producing Provinces of Manabí and Los Ríos, were about double those at Guayaquil.

Coffee exported from Ecuador in September 1943, amounted to 41,828 bags of 60 kilograms each, according to an unofficial source, as compared with 16,655 bags in September 1942.

September wholesale quotations on first-grade coffee suitable for export, compared with quotations for the corresponding month in 1942, are shown in the following table:

Quotations	Value †	
	September 1942	September 1943
Average	Per pound \$0.074	Per pound \$0.062
Maximum	.081	.064
Minimum	.067	.060

† In U. S. currency.

ECUADORAN COCOA CROP

The 1943 Ecuadoran cocoa crop will undoubtedly be the largest in recent years. Deliveries at the port of Guayaquil during the period January 1 to September 30, 1943, amounted to 326,709 quintals of 101.4 pounds, an increase of 91,514 quintals compared with deliveries during the corresponding period of 1942.

Quantities of the various types of cocoa delivered at Guayaquil during September 1942 and 1943 and cumulative figures for the first 9 months of 1942 and 1943 are as follows:

[In quintals of 101.4 pounds]

Grade	September		Jan. 1 to Sept. 30	
	1942	1943	1942	1943
Arriba	4,389	5,752	135,944	202,056
Machala	11,706	10,889	42,916	49,933
Other	10,562	10,443	56,335	74,721
Total	26,657	27,084	235,195	326,709

In the first 9 months of 1943 Ecuadoran cocoa exports were also larger than during the comparative period of 1942. By the end of August, exports were equal to those of the calendar year 1942.

Not only has there been a heavy increase in exports to the United States, but exports to Mexico, Peru, Switzerland, and Argentina, have been on a larger scale than in recent years.

Cocoa exports during September 1943 amounted to 1,173,849 kilograms, valued at \$223,762, according to an unofficial source, as compared with 1,889,358 kilograms, valued at \$355,331 in September 1942.

COFFEE CROP PROSPECTS, NICARAGUA

The outlook for the coming coffee crop in Nicaragua has not changed appreciably in the past few months. The trade estimates that between 220,000 and 240,000 bags of 60 kilograms each will be harvested during the 1943-44 season.

The worst crop outlook is in the Jinotega-Esteli region, where, it is reported, growing conditions were poorest during the present season. Fortunately only a small percentage of the total Nicaraguan coffee crop is produced in that area.

Conditions in the Metagalpa region are somewhat better, but only a mediocre crop is expected. In the Sierra and Carazo regions, the uplands south of Managua, where 75 percent of the Nicaraguan coffee is grown, crop estimates are higher. On some farms a 20-percent increase in production is expected over that of last year. Despite this increase in the most important coffee-growing areas of Nicaragua, the estimate of 220,000 to 240,000 bags is regarded as only a fair crop.

During September small quantities of pre-season coffee were picked, although the main picking season is not until December and January.

Dairy Products

CANADIAN BUTTER AND CHEESE PRODUCTION

Heavy rainfall in Canada made excellent pasturage and hay crops, and as a result July milk production for all Canada was from 5 to 10 percent more per cow than during that month in any recent year.

Creamery-butter production during the 8-month period, January to August 1943, was 15 percent above last year, but this was partially offset by a 27-percent reduction in the production of cheddar cheese.

On September 1, 1943, stocks of butter amounted to 75,000,000 pounds, a 50-percent increase over a year ago, while stocks of cheese, totaling 49,000,000 pounds, were down 32 percent.

Plans are being made to send some butter to the United Kingdom in addition to the large shipments of cheese.

BUTTER EXPORTS FROM NEW ZEALAND

Butter, valued at £NZ6,219,391, was exported from New Zealand during the first 5 months of 1943, according to data recently released by the Customs Department of that country. This represents a decline of less than 1 percent from butter exportations in the corresponding period of 1942.

NORWEGIANS LACK BUTTER AND MARGARINE

Theoretically the daily ration of butter and margarine in Norway is 30 grams per person; actually, it is between 8 and 10 grams. According to the foreign press, edible fats totally disappear from the markets of some sections of Norway for weeks in succession. Neither are there substitutes to put on bread, since cheese, marmalade, meat, and sardines have long been unavailable.

BUTTER AND CHEESE SHORTAGE IN THE UNION OF SOUTH AFRICA

Figures released during September by the Office of Census and Statistics of the Union of South Africa show a falling off in butter and cheese production in that country, principally because of the abnormally cold weather of the past winter.

Stocks of butter became so low that it was necessary to import supplies from Australia during August. Creamery butter manufactured in South Africa during August totaled 1,985,646 pounds or 277,142 pounds less than in August 1942.

Butter stocks at the end of August were only 2,543,137 pounds—1,160,373 pounds less than at the end of August a year ago.

The cheese position is similar. August production amounted to 963,534 pounds, a decrease of 221,440 pounds as compared with August 1942. Stocks of cheese at the end of the month were about a third lower than they were a year ago.

Fruits and Nuts

SPANISH OLIVE CROP

From 50,000 to 60,000 hogsheads of queen olives and from 25,000 to 30,000 hogsheads of manzanilla olives will be pickled from the Spanish green-olive crop this season, according to estimates of the trade. Approximately from 40,000 to 45,000 hogsheads of queen olives and from 20,000 to 23,000 hogsheads of the manzanilla crop will be suitable for export.

An order of the Ministry of Agriculture dated September 10, 1943, provides that growers and picklers of green olives may pickle queen olives and ordinary qualities of manzanilla olives. In the Province of Seville, the "moron," "rapasalla," and "ojiblanca" varieties of olives may also be pickled. The pickling of black olives ("moradas") is authorized only for queen olives.

By the same order, olives are graded

and priced locally as follows: Queen olives of sound quality not smaller than 130 olives a kilogram, a minimum of 50 pesetas for 50 kilograms; manzanilla olives of sound quality in sizes not smaller than 320 olives a kilogram, a minimum of 75 pesetas for 50 kilograms. These prices and sizes are the same as last year, delivered at the buyers' warehouses. In October 1943, 10 pesetas above these prices were being paid. Prices of all other varieties of olives may be contracted for freely.

Permission granted this year to pickle medium and ordinary manzanilla olives and other varieties of olives is said to be the result of an abundance of olives suitable for olive-oil production.

About 2,540 hogsheads of queen and 8,000 hogsheads of manzanilla olives remain in stock. All the queen olives and 3,200 hogsheads of the manzanilla olives have already been contracted for, however, and are awaiting shipment.

SPANISH ALMOND SITUATION

Although the yield of the almond crop varied in the Spanish Provinces of Malaga, Granada, and Almeria, as a result of adverse weather conditions in March and April, it is believed that the aggregate production of these three provinces will be close to early-season estimates of 4,500 metric tons of shelled nut meats. Sizes, however, run to small and medium kernels; larger sizes will be scarce.

When the season commenced in September, demand for supplies was fairly active and prices rose somewhat. It was reported that some warehousemen bought shelled almonds in any quantity at from 8 to 8.50 pesetas per kilogram. Farmers, however, were delivering only a small portion of their crop, as they expected a better market in October or November.

After 2½ years of complete stagnation, the export movement of shelled almonds has been renewed, and opening demand for both Jordans and Valencias was surprisingly keen.

The 1943 almond crop in the Levante region of Spain is estimated by the trade to be about 6,000 metric tons, or about 10 percent less than last year. The quality of the crop is said to be inferior to last year.

Spain is still burdened with a surplus almond stock estimated to be the equivalent of two normal crops, and domestic consumption continues to be small because of high fixed prices.

SOUTH AFRICAN DECIDUOUS FRUIT INDUSTRY

With the outbreak of war, the South African deciduous fruit industry, especially that of apples and pears, was faced with a serious problem. Prior to the war, growers of all types of deciduous fruit were dependent to a greater or lesser degree on overseas markets, principally the United Kingdom. In normal years approximately 30 percent of the apple crop and 75 percent of the pear crop were shipped to London. Thus, in 1941 when shortage of shipping space made it impossible to continue overseas shipments of fresh fruit (with the exception of cit-

rus fruit, which was wanted for its vitamin-C content), it was obvious that unless the Government came to the assistance of South African fruit producers, they would not be able to carry on.

To meet the altered situation, the Deciduous Fruit Board, which prior to the war was purely a regulative body, was given authority to buy and sell all or part of the various table-fruit crops, and thus regulate the marketings of all crops which had formerly relied on overseas markets. The Board has purchased from growers a quantity of fruit equivalent to an average of their exports during the 2 years prior to the war, at prices slightly below those formerly obtained.

It is reported that 20 percent more apples are being produced in South Africa now than before the war, as new orchards have begun to bear.

The domestic market has increased steadily in the past few years. This year has been especially good. Demand has increased on the part of inland consumers and ships' chandlers who supply visiting merchant and naval vessels. Growers have been able to dispose of the major part of their crop without delivering it to the Board. This year's apple crop is estimated at 20,000 tons (1,000,000 cases), and of this amount the Board has handled 1,000 tons, of which only 5 percent has been dried.

A gas (carbon dioxide) storage center for apples with a capacity said to be the largest in the world has recently been completed at Elgin, Cape Province.

Before the war approximately 75 percent of the pear crop was exported to the United Kingdom and in order to prevent total chaos in the market the Board since 1941 has undertaken to purchase the entire crop. It has succeeded in disposing of the production satisfactorily and expects the alternative outlets it has opened up to provide a base for a permanent increase in the market for South African pears.

Pears are a relatively perishable crop

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and must be marketed or processed speedily after picking. Private producers did not have the facilities for drying the fruit and cold-storage space was likewise inadequate to store the crop. The Board therefore invested about \$15,000 in drying and dehydration plants.

Five dehydration plants having a capacity of 15,000 tons are either in operation or will be ready for operation in the coming season.

It is proposed to devote half the capacity of the dehydration plants to pears in the coming season, December 1943 to May 1944, and the remainder to miscellaneous fruit. At the close of the fruit season the plants will be used for the dehydration of vegetables.

The Board is reported to be enthusiastic over the results obtained with its dehydration plants and expects to continue dehydrating pears on a large scale in the post-war period.

Pear cores and waste have also been dehydrated for use as cattle feed. This product has found a ready market because of a shortage of normal stock feed.

Dehydrated pears have been favorably received by local consumers in South Africa and this form of processing is considered especially suitable to the climate of that country as storage and transportation facilities are limited. The dehydrated pears are sold in both coastal and inland markets through the year.

Grain and Products

CASSAVA FACTORY OPERATING IN BARBADOS (B. W. I.)

The Government cassava factory in Barbados, British West Indies, is reported to be well established and flour for home consumption and a livestock meal are now being produced at the rate of about 5 tons per day. The flour is being mixed with wheat flour for the production of biscuits, but it is claimed that later it will be available for purchase in the shops. The meal is in demand as a substitute for cornmeal, bran, and polard, all of which are scarce.

PERUVIAN RICE SITUATION

Peruvian rice production in areas north of Lima will amount to 71,000 metric tons in 1943, including a surplus of 1,300 tons from the Camana district of southern Peru, according to preliminary estimates. However, since con-

sumption is estimated in excess of 90,000 tons in northern and central Peru, it will probably be necessary to import nearly 20,000 tons. These estimates are understood to include allowances for increased consumption because of greater purchasing power and shortages of other foodstuffs. There are indications that rice purchases have already been made in Ecuador and Chile, which not only cover the deficit, but also provide a month's extra supply.

Sugars and Products

ESTIMATED PERUVIAN SUGAR PRODUCTION

Sugar output in Peru in 1943 is forecast at 474,000 short tons, based on a production of about 248,000 tons in the first 8 months of the year. Normally 60 percent of the output is obtained during the latter half of the year.

Crop conditions in the coastal sugar valleys during August and September were reported as favorable.

Domestic sugar consumption continued its upward trend, being estimated at 86,000 tons for the first 8 months of the year, compared with about 83,000 tons in the corresponding period of 1942.

Vegetables and Products

BEAN PRODUCTION, BRAZIL

Beans are an important foodstuff in Brazil as they are the basic item for the national dish, "feijoada," which consists of black beans cooked with "charque" (dried salted beef). Apparent annual consumption amounts to about 1,750,000,000 pounds, or approximately 40 pounds per capita, all of which is supplied from domestic production.

About 65 percent of the beans consumed are black beans; 25 percent a brown bean known as mulatinho; and the remaining 10 percent is of various kinds.

The average annual crop for the 5-year period ending in 1941 (the latest years for which official data are available) was equivalent to about 1,768,000,000 pounds. Minas Gerais, Sao Paulo, and Rio Grande do Sul, the three leading bean-producing States, accounted respectively for 31.0, 19.1 and 16.5 percent, or 66.6 percent of the crop.

Although Brazil is probably the world's leading producer of beans, exports are relatively small. This may be due to the fact that the black bean, which is the principal variety grown in Brazil, is not usually in demand by the export trade.

Furs

CANADIAN FUR AUCTION SALES

Skins offered at the September 7 sale of Canadian Fur Auction Sales Co., Ltd., Montreal, sold readily and at prices substantially higher than those of the June 21 sale.

The following table includes only varieties of pelts offered in large quantities:

Assistance Given to "Other Americas" in Manufacture of Tools

Drawings and written instructions for the making of tools and other essential equipment are now being made available by the United States to the other American republics to help counteract wartime shortages.

With United States manufacturing, other industry, and shipping concentrated upon war tasks, the furnishing of technical instructions for local manufacture "provides one practical solution to the problem of overcoming the wartime loss of imports in the other American republics," says a statement by the Office of the Coordinator of Inter-American Affairs.

This technical aid has been made available through a project of the Institute of Inter-American Affairs, an agency of the Coordinator's Office, which is cooperating with the other American republics in health, food, and emergency rehabilitation activities growing out of wartime needs.

Technicians in eight republics—Honduras, Costa Rica, Nicaragua, El Salvador, Venezuela, Ecuador, Bolivia, and Paraguay—have asked for, and have received, drawings and instructions for the production of 20 separate items which are urgently needed to maintain minimum living standards during the war.

These items include the simple tools of the farmer—machetes, hoes, and axes—as well as blacksmith equipment, such as bellows, anvils, hammers, tongs, chisels, and charcoal.

The Institute's Development Project engineers are working on additional plans for the manufacture of grain-storage bins, insecticides, iron-ore smelting equipment, sulphuric acid and adhesives, which are a few of the items included in more than 80 requests forwarded to Washington.

Here is how the plan works:

A farmer in Honduras, for instance, needs hand tools in order to raise food. He communicates with the Institute's field representatives stationed in Honduras. The farmer's request is relayed to Washington. The engineers of the Local Resources Development Project then determine what materials for the manufacture of hand tools are available in the farmer's locality. A vital part of the program is that these needed tools will be produced from local materials.

Having determined what materials are available, the engineers prepare drawings and instructions to show how to build and use the equipment the farmer must have. The drawings and instructions, in both English and Spanish, are then sent to the Institute's field representatives for delivery.

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Skin	Number	Per- cent sold	Per- centage price ad- vance
Fox:			
Silver.....	5,214	91	10 to 15
Red.....	1,692	100	20
White.....	1,184	85	10
Beaver.....	3,750	100	10 to 25
Moskrat.....	51,326	98	15
Mink:			
Wild.....	2,519	100	15
Ranch.....	2,022	100	15
Wolf.....	2,326	95	15
Badger.....	2,211	75	20
Raccoon.....	3,399	55	(1)
Ermine.....	7,388	100	25
Skunk.....	4,562	96	10
Squirrel.....	52,470	92	20

¹ Unchanged.

Iron and Steel

SWEDISH IRON-ORE SALES

Profits in 1942 from the sale of iron ore from Sweden's famous Luossavaara mines totaled 12,870,000 crowns compared with 14,220,000 crowns in 1941.

The mine is operated by Trafikaktiebolaget Grangesberg-Oxelösund, one of Sweden's largest industrial enterprises.

SHORTAGE OF CAST-IRON SCRAP IN EIRE

Cast-iron scrap consumed by foundries in Eire in 1942 amounted to 10,850 tons, which was 75 percent of normal requirements.

In view of the approaching crisis in the iron-foundry industry, the Scrap Dealers' Association is seeking permission to acquire gas-producer units for trucks to be used in a scrap-collection campaign.

Leather and Related Products

Leather and Manufactures

EIRE'S LEATHER STOCKS LOW

Despite continued expansion of domestic production of leather in Eire, stocks reportedly are seriously low. This condition will exist no doubt until such time as supplies can be obtained from abroad.

To discourage hoarders who might be inclined to hold back hides from the market in an effort to force prices up, the Department of Supplies has decided that no increase in prices will be authorized and that tanning firms will not be permitted to pay prices in excess of those now prevailing.

Dealers were warned that it would be to their advantage to dispose of stocks immediately in view of deterioration in quality of hides held for a long period.

TANNERY ESTABLISHED IN SOUTHERN RHODESIA

A tannery has been established in Southern Rhodesia by a large shoe manufacturer of Czechoslovakian origin, who has been making most of the boots and shoes required by the military forces in Southern Rhodesia, in addition to supplying internees and refugees. This

company has developed a rope-soled shoe made from domestically manufactured sisal. Large military orders have been placed for this type of shoe and internees and refugees are assisting in producing the sisal soles.

Another firm, producing boots and shoes exclusively for military purposes, hopes to establish a tannery in Southern Rhodesia soon.

URUGUAY'S TANNING INDUSTRY ACTIVE

Uruguay's tanning industry continued to operate daily during September, but on a one-shift basis. Export demand was fairly good, and domestic shoe manufacturers took more leather than formerly. It was expected that tanneries would continue active for some months.

Shoe manufacturers, working on orders for the summer season, operated on a 5-day-a-week basis, with one shift daily.

Hides and Skins

SCOTTISH INTEREST IN PIGSKIN REVIVED

A campaign recently launched by the managing director of a Scottish tannery is resulting in a revival of interest in pig-

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Japs Hunting for Quinine Substitute: Why?

The Japanese, who now have something of a corner on the world's supply of quinine, the most effective drug in the treatment of malaria, are reported to be hunting high and low for a passable substitute. They disclosed this themselves in numerous recent propaganda broadcasts in which they also announced that they had already "discovered" one or two obviously unsatisfactory substitutes, says a statement by an agency of the Netherlands Government in Exile.

These Nipponese announcements are accepted in official Dutch quarters as evidence that the Japs are seriously considering the possibility that they may be driven out of Java. In fact, no other interpretation could be placed upon the reports, for in peacetime Java, the most important of the East Indies islands, provided 95 percent of the world's requirements of quinine.

Thus it is inconceivable that Java's natural supplies would be insufficient to meet the needs of the Japanese and Indonesians, despite malaria epidemics reported in the Archipelago. This is particularly true since the Tokyo radio claimed as recently as September 28 that quinine production at Bandung had risen to 172 percent of the pre-invasion output.

In malaria the Japanese officials and soldiers stationed on the conquered Dutch islands have met an enemy they fear as much as dive-bombers or tanks, and rightly so. Since they occupied the Archipelago, the disease has increased alarmingly; reportedly, it is now raging like a scourge.

Recently the Japanese proclaimed excitedly that they had at last "found a remedy" for malaria: Dr. T. J. Naingoolan of Medan, Sumatra, had "discovered" a medicine concocted from a plant named Cassia Mata, which is found abundantly in Sumatra and supplies a perfect quinine substitute. But shortly thereafter the Nipponese radio told of a "new" and rather peculiar weapon for fighting malaria—a tiny fish which is extremely fond of mosquito eggs. The Japanese proposed breeding an immense number of these fish and turning them loose in mosquito-infested lakes and swamps; Jap experts claimed this method would wipe malaria out of all the territory under their command.

These feverish Japanese searches for quinine-substitutes would surely seem to reveal an acute apprehension as to "the shape of things to come" in the islands of the East.

skin. It has been the custom in Scotland to cook pigs in their skins. The leather lost in this way could have been used by the Scottish travel and leather-goods manufacturers who in normal times have a substantial export business.

Livestock

MORE LIVESTOCK IN PALESTINE

The number of livestock in Palestine has increased substantially since 1937 even though the high price of meat and the difficulty of obtaining supplies of feeding stuffs may have caused some livestock owners to deplete their herds for slaughter.

The following table lists the 1943 totals as compared with 1937:

Item	1937	1943
Cattle.....	169,145	242,945
Sheep.....	177,858	244,062
Goats.....	307,316	325,376
Camels.....	26,320	29,730
Horses.....	20,053	19,021
Mules.....	8,959	9,862
Donkeys.....	92,205	107,736
Pigs.....	995,819	1,890,213
Fowls.....	8,064	4,972
Buffaloes.....		

Old camels are customarily slaughtered for meat, but since the war there has been a great increase in the consumption of camel meat and many untrained animals have been imported, solely for the purpose of slaughter.



Official OWI Photo

Although 11,167 camels were slaughtered in 1942, the total number in Arab hands advanced from 26,320 in 1937 to 29,736 in the spring of 1943.

Of the more than 12,000 pigs enumerated in 1943, nearly 8,000 were in the Jerusalem district. Since the outbreak of war, pig raising has expanded rapidly and 3,518 were slaughtered in 1942.

Lumber and Products

PULP RECOVERY, BRITISH COLUMBIA, CANADA

Experiments being carried out in British Columbia in salvaging logging waste for the manufacture of pulp are showing progress, the Dominion press reports.

If the amount of waste lumber can be reduced by the recovery of pulp values, a worthwhile advance will have been made by the forest industry of the Province, it is stated.

FIREWOOD SHORTAGE, WINNIPEG, CANADA

Efforts are being made in the Winnipeg district to obtain additional labor for cutting wood to meet an anticipated fuel shortage.

Since the city is short about 50,000 cords of its annual requirements of 250,000, it is planned to set aside 25,000 cords as a reserve supply to be issued to dealers during the winter.

LUMBER SHORTAGE OF THE NETHERLANDS GROWING WORSE

The Netherlands lumber situation is steadily growing worse, according to European press reports.

One difficulty is the Netherlands' low credit balance in Sweden. The amount

has been cut to 50 percent of last year's quota, half of which already has been allotted to the purchase of small lumber for packing cases. Another problem is lack of shipping space. Orders, it is stated, frequently seem to be determined by available tonnage.

However, Netherlands buyers are slowly taking up the year's quota, which is only 12,000 standards (1 standard = 1,980 board feet). Purchases so far have totaled about 10,000 standards. Apparently, the remaining 2,000 are being reserved by Netherlands authorities for the packing-case industry.

DOMESTIC SALES OF PLYWOOD INCREASE IN SWEDEN

Sales of plywood in the Swedish domestic market showed an increase of 10 percent during the first 4 months of 1943, according to a recent survey reported in the Swedish press.

The favorable situation is due partly to the large wartime demand for plywood, which is used in both the aircraft and shipbuilding industries. Several plants have secured excellent results with waterproof gluing, and this special-type plywood has been employed principally in the construction of pontoons and huts.

Mills still face the problem of obtaining sufficient glue, but it is hoped that enough will be available to permit uninterrupted manufacture. Some difficulty has been experienced also in securing birch logs, making it necessary to set delivery dates longer ahead. This has been particularly serious in the furniture industry.

Permission for a slight increase in the price of birch plywood has aided somewhat in the purchase of raw materials. Large shipments of birch veneer have been imported from Finland, however, indicating that Swedish mills have not been able to meet domestic requirements.

Medicinals and Crude Drugs

PUBLIC-HEALTH ACTIVITIES IN BULGARIA

The Bulgarian press reports that new antitubercular dispensaries have been opened in the towns of Dupnitsa, Aseonovgrad, and Sliven.

It was also reported that quinine centers would cease giving blood tests or dispensing quinine at the end of the malaria season (probably during October), though such work as draining swamps and digging canals would continue. During the past year, it is said, more than 100,000 kilograms of oil were used to treat stagnant waters.

CASCARA-BARK HARVEST, BRITISH COLUMBIA, CANADA

A generally high-quality harvest and improved collection methods cause authorities to believe that the cascara-bark harvest on Vancouver Island will reach an unprecedented high this season. The cascara-bark crop in British Columbia amounted to 300 tons last year and was valued at \$150,000, states a Canadian trade journal.

NEW ZEALAND'S IMPORTS

Medicinal preparations and drugs valued at £NZ179,249 were imported by New Zealand during January to May 1943. This amount compares with £NZ113,960 in the corresponding months of 1942, reports the New Zealand Customs Department.

CHEMISTS' LICENSES CONDITIONALLY REISSUED IN POLAND

The reissuance of chemists' licenses (under the Nazi regime) has begun in Poland. Certificates are granted only to individuals who are at least part German and who are "politically reliable," states a foreign trade magazine.

DRUG SUBSTITUTION AUTHORIZED IN U. K.

To alleviate certain drug shortages, the Secretaries of State and the Minister of Health of the United Kingdom, after consulting the Medical Research Council, have announced that quassia may serve as the alternative for gentian in filling prescriptions, unless the doctor's order specifically refers to this new regulation and then directs that there shall be no substitution.

Nonferrous Metals

CHILEAN GOLD PRODUCTION CONTINUES TO DECLINE

Although gold production in Chile continues to decline, the July 1943 level of 403.7 kilograms was only slightly below June output of 404.3 kilograms. A considerable drop is noted, however, from the 575.1 and 543.1 kilograms produced in July and June 1942, respectively.

LEAD SHORTAGE IN EIRE

In view of the acute shortage of lead in Eire, and in order to ascertain the amount of lead stocks in the country, the

Department of Industry and Commerce is requiring persons having 2 hundred-weight or more of lead in their possession to file a report. This includes scrap containing lead, as well as new pig lead. Prices offered for scrap lead are said to range from \$21 to \$24 a long ton.

Before the war, about 70,000 hundred-weight were imported annually. (1 hundredweight=112 pounds.)

SWEDISH COMPANY RECEIVING NICKEL ORE FROM FINLAND

A nickel and lead smelter established at Ronn Skar, Sweden, by the Boliden Mining Co. is receiving some nickel ore from the Petsamo nickel mines in Finland. The foreign press reports that "the ore is being transported with much difficulty and at a fantastic cost."

The company's expanded facilities for cobalt, selenium, and bismuth are reported to be practically completed.

ZINC-DUST MANUFACTURE, UNION OF SOUTH AFRICA

The quality of zinc dust manufactured at a factory established in January at Benoni, Union of South Africa, is satisfactory for use in the gold mines, the foreign press reports, and is expected to render the gold mines independent of foreign supplies.

Retorts heretofore used in the manufacture of zinc dust have been imported. The supply situation is difficult, however, and the local manufacture of retorts has been undertaken.

TIN SITUATION, U. K.

Reporting on the Geevor Tin Mines, Cornwall, England, for the year ended March 31, 1943, the foreign press states that the 65,479 tons of ore milled yielded 831.6 tons of black tin (concentrates), representing a recovery of 28.44 pounds of black tin per ton milled. Reserves total 224,194 tons of ore, an increase of about 5,000 tons over the preceding year.

Mine expenditures amounted to £114,882 (about \$462,400), an increase of £34,200 (\$137,855), as a result of larger tonnage of ore mined and milled, higher wage payments, and increased cost of fuel and stores. For the report year, tin sales and tin on hand had a value of £173,128 (about \$696,836).

Nonmetallic Minerals

CANADIAN PRODUCTION

Nonmetallic minerals produced in Canada in the first 7 months of 1943 included 191,000 tons of gypsum, 13,105 tons of feldspar, 3,936,000 barrels of cement, 536,541 tons of lime, and clay products valued at \$3,321,000.

Output of commercial salt in January to July 1943 amounted to 190,210 tons.

Oils and Oilseeds

FISH-OIL EXTRACTION EXPANDS IN BRAZIL

Because the demand for fish-liver oil has increased greatly since the war began, several extraction plants have been

established in various places in Brazil, particularly in Rio Grande do Sul, Rio de Janeiro, and Sao Paulo. One company, which owns an oil-extracting plant in the Federal District, has reported that it also has another at Niteroi, where operations have already begun. All its product is purchased domestically.

The Brazilian Government, through the Ministry of Agriculture, is interested in a plant at Sao Luiz, Maranhao, for the commercialization of shark products. Its construction began in 1939 and it will probably be completed by the end of 1943.

No fish-oil plant is exporting any of its products to the United States, states an official source. The refined oil is domestically consumed; the crude livers are not being shipped because of lack of transportation and preservation facilities.

Commercial production of Brazilian shark-liver oil is small because the quality of the product apparently is not consistent. Only a small amount of the current output is used for medicinal purposes.

Large-scale production of shark-liver oil is dependent upon the developments of a standardized distillation procedure, a process whereby vitamins would not be lost when livers are overheated to extract the oil, another process whereby centrifugal force can be used to separate foreign matter, and the use of appropriate containers and preservation methods.

At the present time, Brazil imports from 70 to 100 metric tons of cod-liver oil each year from the United States and Canada. Most of this is of low-vitamin content and is used in emulsions.

Many Brazilian pharmacists report that the inhabitants of that country, long accustomed to having cod-liver oil, are hesitant about substituting shark-liver oil.

ESTIMATED OITICICA-OIL PRODUCTION IN BRAZIL

Oitica-oil production in the State of Piaui, Brazil, during the December 1943 to April 1944 season, is estimated at 1,500 metric tons from an anticipated harvest of 5,000 tons of seeds, most of which will be in Piaui, some in Maranhao. Besides this 2,000 tons of seeds may be available from Ceara.

Loss of some of the oil may result from a lack of storage and shipping drums. One company is reported to require 12,000 of these, 7 percent of which are available, and part of the remainder will be made up by the use of gasoline, kerosene, and Diesel-oil drums.

BRAZIL'S ESTIMATED PEANUT-OIL PRODUCTION

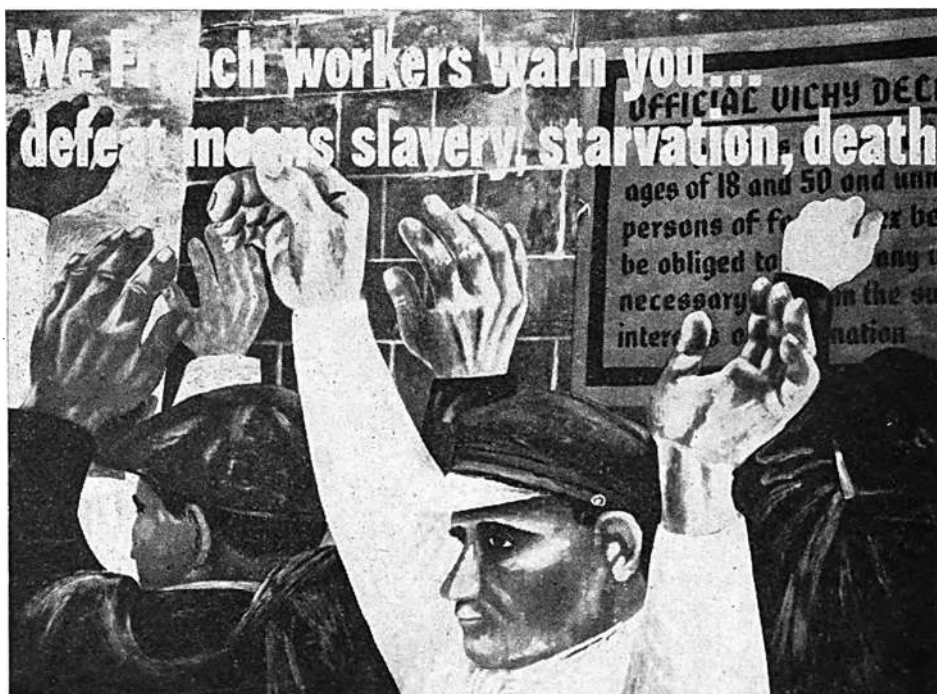
The 1943 Sao Paulo, Brazil, peanut-oil production has been estimated by a usually reliable source to be 8,000 metric tons, which would bring the total refined edible vegetable oils for the State to 80,000 tons.

In addition, the production of cotton seed in northern Brazil is expected to be from 240,000 to 280,000 metric tons this year. This would refine to from 20,000-30,000 tons of cottonseed oil.

Should these approximations be correct, Brazil probably will have 100,000 tons of edible vegetable oils for domestic consumption during 1944 and still possess a sizable exportable surplus.

OIL AND FOOD COMMITTEE TO BE ESTABLISHED IN OCCUPIED CHINA

Plans for the establishment in Shanghai of an oil and food committee composed of Chinese and Japanese merchants, have been announced by the Japanese. The establishment of this group will complete an intricate Jap-sponsored organizational structure to control the supply and demand of essential foodstuffs. The Japan-China Oil



Official OWI Photo

and Food Committee is expected to accept responsibility for controlling trade in a variety of foods, including seeds and other materials necessary for the manufacture of cooking and other edible oils.

ESTIMATED RAPESEED HARVEST, SZECHWAN PROVINCE, CHINA

The 1943 winter rapeseed harvest in Szechwan Province in the interior of China has been estimated by the Agricultural Improvement Institute of Szechwan at 5,764,000 shih piculs (1 shih picul=50 kilograms), 67,000 shih piculs more than last year.

This increase is counter to the general crop trend which is below the 1942 average.

The first survey of the summer crop acreages indicated that 4.1 percent of the total agricultural area in the same Province would be devoted to soybeans and 0.3 percent to flax.

EDIBLE OIL FROM COTTONSEED MANUFACTURED IN EL SALVADOR

A new industry, that of producing edible oils from cottonseed, has been created in El Salvador, reports a foreign publication. The factory began operations in 1941 and the demand for its product, a type of cream shortening, is apparently quite large since the 100-man personnel works by shifts on a round-the-clock basis.

It is claimed that this new industry has increased the income of cotton growers and has been responsible for a larger acreage devoted to the cultivation of cotton.

The development of the new company is one step toward fulfillment of the aspirations of Salvadoran economists who long have hoped for a greater diversity of products in that country. Before the factory was established, all vegetable oils were imported; during the 5 years immediately preceding the founding of the concern, those imports averaged 62,860 kilograms annually. During the first 3 months of 1943, however, the domestic consumption of this commodity amounted to 37,335 kilograms and it is estimated that there is being consumed in El Salvador three times as much vegetable oil as was previously used.

Aside from financial advantages to the country, there is the added benefit in that the product seemingly has brought better health to a large number of people since the edible-oil commodity, by low-cost scientific methods of processing, has been made available at moderate prices.

ESTIMATED SESAME CROP, INDIA

Preliminary forecasts, based upon reports from 86 percent of the total area under sesame cultivation in India and generally relating to the early crop and its condition at the end of July, place the total acreage at 1,816,000 for the 1943-44 year an increase of 5 percent, compared with the corresponding estimate of 1,727,000 acres for 1942-43.

These figures do not include estimates for the United Provinces, which is the largest producer of sesame since it was too early to judge the acreage of that sector.

The final figures for the 1942-43 sesame crop in India were 4,328,000 acres and 463,000 long tons.

JAPAN MANUFACTURING SYNTHETIC "SOYBEAN" SAUCE

A new method of brewing soybean sauce from copra cake instead of soybeans and wheat has been developed by Japanese Army and commercial chemists, according to the Tokyo radio. After 2 months' experimentation, almost 2,000,000 gallons of the liquid have been made, and military authorities are planning large-scale production to meet civilian as well as Army needs. By using copra bagasse, 200,000 tons of soybeans and 133,000 tons of wheat will be available for other purposes. It is said that this new synthetic sauce has longer preservative power and a good flavor. No special equipment is needed, the report added, and the new product can be produced in only 2 months, whereas the soybean sauce required a minimum of 1 year.

NEW ZEALAND'S VEGETABLE-OIL IMPORTS

Bulk vegetable oils valued at £NZ101,271 were imported by New Zealand during the first 5 months of 1943. This total is 3 percent less than in the comparable period of last year, according to the New Zealand Customs Department.

OLIVE-OIL EXPORTS PROHIBITED BY PORTUGAL

Portuguese authorities placed an export embargo on olive oil the middle of September, because of inadequate domestic supplies, states a foreign trade paper.

Paper and Related Products

NORWEGIAN PAPER SHORTAGE

No stationary is to be had in Norway, because of the paper shortage. The book market is also greatly restricted, and the paper used is of very poor quality. Newspapers are quickly sold out, there being only two which apparently are unaffected by the paper shortage.



Petroleum and Products

BOLIVIAN IMPORTS

Total imports of petroleum and products into Bolivia during 1942 amounted to 72,571,096 kilograms valued at 8,596,629 bolivianos. The following table shows distribution of these amounts:

Item	Kilograms	Bolivianos
Crude petroleum.....	50,605,509	3,904,061
Kerosene.....	830,060	136,564
Gasoline.....	11,467,524	1,847,049
Gasoline for aviation.....	2,775,164	596,692
Paraffin and other mineral waxes.....	395,023	176,566
Lubricating oils.....	3,689,461	1,482,736
Lubricating greases.....	372,501	191,100
Tar and mineral pitch.....	2,377,499	232,267
Other mineral oils, unspecified.....	58,256	30,564

CANADIAN FIRM INCREASES REFINING CAPACITY

Installation of additional equipment in the Regina plant of the Imperial Oil Co. has raised its crude-refining capacity from 7,000 to 9,500 barrels a day. The plant extension, which had been under way for about a year, is part of a project to increase the capacity to 12,000 barrels daily. It is understood, however, that further construction will be deferred until after the war.

EXPLORATION BORING IN RUMANIA

Petroleum boring in Rumania was 11 percent greater in 1942 than in the preceding year, according to the Rumanian press, 22.5 percent of the borings having been for exploration purposes.

Rubber Products

AUSTRALIAN FIG TREE MAY PROVIDE RUBBER

The milky substance from the wild fig tree which grows in northwestern Australia contains an appreciable quantity of rubber hydrocarbon (at least 8 percent), a Government analysis has disclosed. It is believed that this tree may provide rubber, says a British trade paper.

RUBBER GOODS TO BE AVAILABLE IN JAPAN

Rubber goods such as raincoats, ice bags, receptacles for toilet articles, and other items will soon be placed on sale throughout Japan, according to a Japanese broadcast. It is planned to establish new fixed prices on these articles, representing a reduction of from 10 to 15 percent.

Special Products

MEXICAN STOVE IMPORTS

The value of stoves, not electric, imported by Mexico in March 1943 was 103,508 pesos. Imports during the first 3 months of the year weighed 60,208 kilograms and were valued at 168,056 pesos.

PHONOGRAPH RECORDS BEING PRODUCED IN SOUTH AFRICA

A large factory in the Union of South Africa has started production of phonograph records, the foreign press states. When the entire plant is in operation, monthly output is expected to be approximately 50,000 records.

All raw materials are being obtained locally and the quality of the finished product is said to be excellent.

Textiles and Related Products

MEXICAN TEXTILE PLANTS ACTIVE IN AUGUST

Mexico's textile plants operated at capacity throughout August. High prices, however, served to deter consumer demand, and stocks continued to accumulate.

Binder-twine and rope plants were manufacturing at peak capacity.

NEW ZEALAND'S IMPORTS

Textile-piece-goods imports into New Zealand during the first 5 months of 1943 were valued at £NZ2,959,327, compared with £NZ2,506,993 in the corresponding months of 1942.

During the first half of 1943, imports from the United States included apparel valued at £NZ1,743, cotton piece goods £NZ573,300 and silk piece goods £NZ13,935, according to figures released for publication by the New Zealand Customs Department.

Cotton and Products

INDIAN COTTON SITUATION

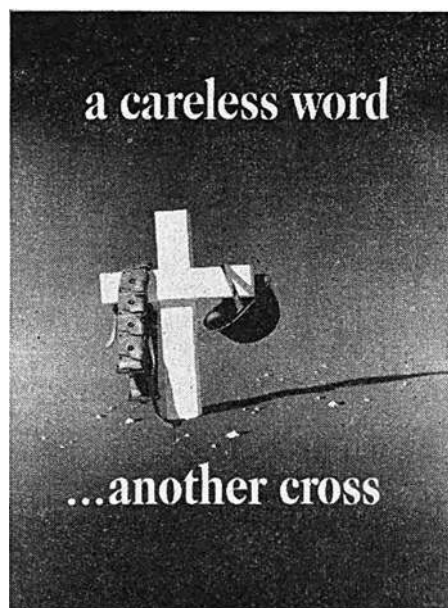
Exports of cotton from India, from September 1, 1942, to August 28, 1943, aggregated 903,865 bales, according to official but incomplete figures. In the corresponding period of the preceding year, shipments totaled 1,092,981 bales. Cotton arrivals at principal Indian ports, in the same periods, amounted to 2,921,964 and 2,622,846 bales, respectively.

From September 1, 1942, to June 30, 1943, 3,520,679 bales of Indian cotton were consumed—slightly higher than the 3,356,433 bales used in the corresponding period of the preceding year.

A good volume of business was done in the spot market during the first week of August. Spot prices declined until August 11, when a nonofficial committee appointed by cotton merchants agreed to observe certain minimum prices.

Mill demand for cotton was very light in the first half of the month and improved only slightly during the last half.

Reports indicate that the government of Bombay has provided a sum equivalent to \$375,000 in United States currency, for the purchase and distribution of an improved variety of cottonseed to cultivators in that Province. This is believed to have resulted in a large increase in the area under Jarila (improved variety) cotton, and the govern-



Official OWI Photo

ment now plans to bring the entire area in Khandesh (about 11,000,000 acres) under Jarila cotton, to the exclusion of any other variety.

UGANDA'S COTTON CROP

Cotton booked from stations and ports in Uganda during the first 7 months of 1943 totaled 114,000 bales (of 400 pounds), as compared with 225,000 bales in the comparable period of 1942.

Cotton tax collections totaled £51,000 for the 1943 period and was only 41 percent of the amount collected in the first 7 months of 1942.

New crop plantings, to the end of July, were reported to have reached 750,000 acres, compared with 347,000 acres to that date in 1942, and further heavy planting were expected for August.

Germination is reported to have been uniformly good this season, and the general condition of the crop is reported to be satisfactory.

The British Ministry of Supply arranged to purchase the Uganda cotton crop during the war and for one season thereafter at fixed prices.

Miscellaneous Fibers

SURPLUS OF HEMP FIBER IN CHILE

Chile has an exportable surplus of hemp fiber somewhat in excess of 15,000 metric tons.

No purchases were recorded in September, even at the nominal price of 400 pesos per 46 kilograms.

Wearing Apparel

URUGUAY'S HAT INDUSTRY IMPROVES

Business for Uruguay's hat manufacturers has improved somewhat. Domestic demand is spreading, and an export market appears to be developing.

A light type of summer hat is being designed, to replace the old-style straw hats.

Tobacco and Related Products

HAITIAN TOBACCO SITUATION

Estimates of Haitian tobacco production vary from 6,600,000 to 13,000,000 kilograms annually. There is no way to determine the exact amount, as raw-leaf production is not taxed. It is generally believed, however, that in 1937 production declined and has not yet regained its former level.

Domestic cigarette tobacco is blended with imported tobacco to produce an estimated 100,000,000 cigarettes a year. Total annual cigarette consumption is placed at about 130,000,000. Cigars are produced in small quantities, but there is no cigar-manufacturing firm of any importance in Haiti.

Although some pipe tobacco of commercial grade is produced, much of the leaf is used domestically as a pipe tobacco with little or no preparation. Cut tobacco as such is not produced commercially in Haiti, nor is snuff manufactured to any great extent.

Tobacco and tobacco products have been imported into Haiti consistently throughout the past 20 years. Imports fell off considerably from 1930-31 to 1935-36, because of the depression and consequent loss of purchasing power and a shift to consumption of the native product. Improved purchasing power has helped restore imports to their former position.

Tobacco exports have been spasmodic and negligible in amount.

TOBACCO SITUATION IN PALESTINE

Palestine's 1943 tobacco crop is estimated at 1,260 metric tons, a decrease of about 10 percent from the 1942 yield, although area under cultivation was approximately the same for both years. Reduction in yield is said to have been caused by unusually heavy rainfall last winter which interfered with plowing and washed out seedling beds.

Mostly Turkish tobacco is grown in Palestine, and cultivation is confined largely to the northern part of the country. In recent years domestic leaf has furnished most of the raw material used by Palestine's 14 tobacco factories. Of the 7 factories under Arabian direction and ownership, 1 manufactures only tobaccos, which is consumed by the Arabs as a pipe tobacco, and the remaining 6 manufacture cigarettes. Of the 7 Jewish-owned-and-operated factories, 2 produce only cigars and 1 produces snuff.

A small quantity of leaf, equal to approximately 20 percent of domestic production, has been imported annually for blending and for manufacture of higher-quality cigarettes. Exports of tobacco and tobacco manufactures from Palestine are negligible.

Ten firms in Eire expect to can a total of 22,500,000 pounds of beef during the season ending next March. This canned beef will be exported to the United Kingdom.

Announcements Under the Reciprocal Trade Agreements Act

Trade Agreement Calendar

Trade Agreements Signed

Country	Date signed	Date effective
Cuba	Aug. 24, 1934	Sept. 3, 1934
Belgium (and Luxembourg)	Feb. 27, 1935	May 1, 1935
Haiti	Mar. 28, 1935	June 8, 1935
Sweden	May 25, 1935	Aug. 5, 1935
Brazil	Feb. 2, 1936	Jan. 1, 1936
Canada (see revised agreement below)	Nov. 15, 1935	Do.
Kingdom of the Netherlands (Netherlands in Europe, Netherlands India, Surinam, and Curacao)	Dec. 20, 1935	Feb. 1, 1936
Switzerland	Jan. 9, 1936	Feb. 15, 1936
Honduras	Dec. 18, 1935	Mar. 2, 1936
Colombia	Sept. 13, 1935	May 20, 1936
Guatemala	Apr. 24, 1936	June 15, 1936
France and its colonies, dependencies, and protectorates other than Morocco	May 6, 1936	Do.
Nicaragua ¹	Mar. 11, 1936	Oct. 1, 1936
Finland	May 18, 1936	Nov. 2, 1936
El Salvador	Feb. 19, 1937	May 31, 1937
Costa Rica	Nov. 28, 1936	Aug. 2, 1937
Czechoslovakia ²	Mar. 7, 1938	Apr. 16, 1938
Ecuador	Aug. 6, 1938	Oct. 23, 1938
United Kingdom, including Newfoundland and the British Colonial Empire	Nov. 17, 1938	Jan. 1, 1939
Canada (revision of agreement of 1935)	do.	Do.
Turkey	Apr. 1, 1939	May 5, 1939
Venezuela	Nov. 6, 1939	Dec. 16, 1939
Cuba (supplementary agreement)	Dec. 18, 1939	Dec. 23, 1939
Canada (supplementary agreement) ³	Dec. 30, 1939	Jan. 1, 1940
Canada (supplementary agreement)	Dec. 13, 1940	Dec. 20, 1940
Argentina	Oct. 14, 1941	Nov. 15, 1941
Cuba (supplementary agreement)	Dec. 23, 1941	Jan. 5, 1942
Peru	May 7, 1942	July 29, 1942
Uruguay	July 21, 1942	Jan. 1, 1943
Mexico	Dec. 23, 1942	Jan. 30, 1943
Iran	Apr. 8, 1943	(⁴)
Iceland	Aug. 27, 1943	Nov. 19, 1943

¹ The duty concessions and certain other provisions of this agreement ceased to be in force as of Mar. 10, 1938.

² The operation of this agreement was suspended as of Apr. 22, 1939.

³ Superseded by supplementary agreement signed Dec. 13, 1940.

⁴ Thirty days after exchange of proclamation (by the President of the United States) and ratification (by the National Assembly of Iran).

Summaries of the provisions of each individual agreement are published in FOREIGN COMMERCE WEEKLY.

Notice to Exporters

The following sentence which appears in Current Export Bulletin No. 124, under Section C, paragraph 2, is of utmost importance to all firms engaged in the export trade:

"In the case of such shipments under general license, it remains the responsibility of the exporter to clear the desirability of the consignee and purchaser through the usual channels."

It will be noted that it still remains the responsibility of the exporter to ascertain the desirability of the consignee and purchaser through the usual channels. The "usual channel" for obtaining such information is the Department of Commerce—more specifically the Commercial Intelligence Unit of the

promptly after signing. Complete files of the official analysis of each of the agreements, as well as the summaries published by this Department, are available for examination at all field offices of the Department of Commerce. Copies of such analyses or summaries for any particular agreement, figures for the United States trade with "Agreement Countries," and general information regarding the aims, procedure, and operation of the Reciprocal Trade Agreements Program may be obtained from the Trade Agreements Unit of the Bureau of Foreign and Domestic Commerce at Washington.

[A compilation of all changes in the import duties of the United States since the passage of the Tariff Act of 1930, including all duty reductions or bindings by the United States under the trade agreements signed to date, arranged by schedules and paragraphs of the Tariff Act has been prepared by the U. S. Tariff Commission in the form of a pamphlet. This is obtainable from the Superintendent of Documents, Washington, D. C., for 25 cents per copy.]

Countries With Which Intention To Negotiate Has Been Announced

Country	Date of issuance of notice	Latest date for submitting written statements	Date for oral presentation of views
Bolivia	Apr. 4, 1942	May 4, 1942	May 18, 1942
Paraguay	June 28, 1943	July 23, 1943	Aug. 4, 1943
Cuba	Oct. 19, 1943	Nov. 17, 1943	Nov. 24, 1943

[Detailed information, trade figures, and copies of the lists of products to which the United States announced it would give consideration for concessions, at the time of giving formal notice of intention to negotiate with each of the above countries, are available upon request to the Trade Agreements Unit, Bureau of Foreign and Domestic Commerce, or any of the field offices of the Department of Commerce, as well as from the Committee for Reciprocity Information or the Department of State.]

NOTE.—The above Trade Agreements Calendar will appear, for the present, in the issue nearest the middle of the month of FOREIGN COMMERCE WEEKLY, instead of each week as formerly.

Post-War Era Offers Business Its Greatest OPPORTUNITY

Bureau of Foreign and Domestic Commerce.

The Commercial Intelligence Unit, which may be contacted directly or through any of the Department's Field Offices, maintains the records which reflect the status of more than 200,000 foreign firms and individual traders. These records are current and accurate. They reflect Proclaimed Lists status, and Office of Economic Warfare and United States Treasury licensing action, on a day-to-day basis.

Shipments under general license will be permitted only as long as the Government is certain that transactions will be with desirable customers. It behooves the exporter, therefore, to check on all new accounts and to recheck, from time to time, on established connections. This will not only make for orderly pro-

cedure but will contribute to our war effort by keeping goods and profits from the hands of the enemy.

In this connection the Department of Commerce (which represents the businessman in Government), and particularly the Commercial Intelligence Unit, will be pleased to cooperate. The Department is particularly anxious to report to other agencies in Government that foreign traders are using every precaution under general license to see that only desirable firms get American goods.

Foreign-Trade Disruptions Affect RUG Business

(Continued from page 6)

civilians. Nor may jute-processing machinery be used for the production of carpet yarns.

Rugs of Wood Fiber

Coir, the fiber obtained from coconut shells, is replacing manila and agave in the manufacture of rope. Some coir is still being used to make door mats, but the mats are going to naval and merchant ships, not to homes.

Durable rugs of wood fiber, blended with wool or cotton, have helped to fill the gap. The wood fiber, pressed into sheets, slit, and tightly twisted, makes a tough rug "yarn." Increasing war demands for wood pulp as well as for wool and cotton, however, prohibit large-scale production.

Less Corn Starch

At present, stocks of corn starch, used as sizing for almost all kinds of rugs and carpets, cannot be replenished at the usual rate because processors have been unable to obtain enough corn to keep their plants operating at capacity.

Enough rug pads are being made to meet all demands. Rug pads are usually made of animal hair, matted to form a soft, resilient felt, and hair is available in great abundance.

The wartime shortage of manpower, materials, and transportation is also keeping importation of finished rugs, carpets, and mats down.

Fewer Rugs From Iran

Iran, home of Saruk and other well-known Persian rugs, continues to send us more oriental rugs than any other country, but the quantity is smaller than before the war. Production as well as exportation is difficult. Soaring costs of yarn and labor have doubled the Persian rug weavers' manufacturing expenses. Dyes, formerly imported almost exclusively from Germany, no longer can be obtained in sufficient quantities.

Velvet and tapestry rugs, formerly imported largely from Germany and the Netherlands, have not been coming into the United States for some years. Al-

though Wilton rugs are entering the country in greatly increased quantities, the amount does not compensate for the loss of imports from France, the Netherlands, Czechoslovakia, and Belgium. Imports of Brussels rugs, always small, are now smaller.

British India continued to send drug-gets and similar types of floor coverings in 1942, though not so many as formerly. Canada also ships some rugs.

No Rugs From East Asia

Large quantities of cotton rugs, hit-and-miss rag rugs, grass and rice straw carpets, and Chenille rugs used to be imported from Japan, but obviously no longer are. The mere trickle of rugs that managed to come in from China in 1942 has dwindled to nothing.

Finished jute carpets and mats are no longer coming in from France and Italy.

Importation of rugs of various types from Mexico has increased, but the amount does not bulk large. Venezuela is also sending us a small quantity of floor coverings.

Ethyl Alcohol from Puerto Rico

Ethyl alcohol, tax-paid and withdrawn for beverage purposes, can be imported into the United States from Puerto Rico, the War Production Board announced recently. This action was effected through an amendment to Order M-30, which regulates the distribution of ethyl alcohol and related compounds.

The amendment changes the definition of ethyl alcohol, which included the sentence: "The term does not include ethyl alcohol produced for beverage purposes." As amended the definition states: "The term does not include beverage alcohol." The amendment further defines "beverage alcohol" as "ethyl alcohol produced for beverage purposes or ethyl alcohol tax-paid and withdrawn for beverage purposes."

Since Order M-54 permits the use of molasses outside continental United States for the manufacture of beverage alcohol, it was decided last July to remove from the control of M-30 all transactions in ethyl alcohol outside of continental United States. Puerto Rican producers, distillers, and rectifiers have in stock several hundred thousand gallons of ethyl alcohol.

The amendment to M-30 permits them to export it to continental United States.

Although the Germans have already deported more than a half million Belgians, they are still requisitioning workers and sending them to Germany and France. A large number of Belgian women are working at the former Belgian arms plant, the Fabrique Nationale d'Armes de Guerre at Herstal, near Liège. Reports say that, in order to keep up production, solitary confinement for several days is the fate of any woman or girl whose output falls below a certain level.

Trade Mark Applications

Argentina.—The following applications for trade-mark registration were published in the Boletín Oficial of October 13, 1943. Opposition must be filed before November 15, 1943:

Trade-mark	Class No. and Commodity
Victor.....	No. 4—Surgical, pharmaceutical, and orthopedic instruments, except glass and electrical instruments.
Albalite.....	No. 8—Entire class.
Brooklyn.....	No. 14—Entire class.
Pronta.....	No. 6—Entire class.
California.....	No. 2—Entire class.
Clipper.....	No. 5—Entire class.
Pato.....	No. 2—Entire class.

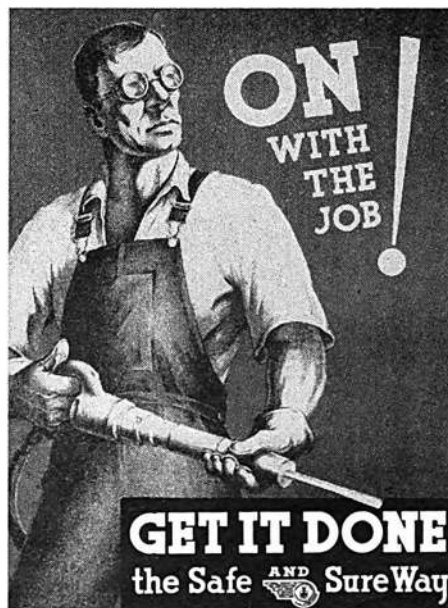
Chile.—The following applications for trade-mark registration were published in the Diario Oficial of Santiago. Opposition must be filed within 30 days from the date of publication:

Trade-mark	Class No. and product	Date of publication
Fada Radio.....	No. 7—Carved stone, cement, lime, etc.	1943 Oct. 15
Bambi, A E G, Fada Radio.....	No. 12—Caoutchouc, gutta-percha, cork, etc.	Do.
Standard.....	No. 15—Tanned skins and hides, silk and wool, etc.	Do.
A E G.....	No. 28—Hand tools, cutlery, side arms, etc.	Do.
A E G.....	No. 30—Hygienic service apparatus, etc.	Do.
A E G.....	No. 31—Machines and apparatus for printing, writing, and copying.	Do.
Silver Lux, A E G, Eagle.....	No. 32—Heating, lighting, and ventilating apparatus.	Do.
A E G.....	No. 33—Crucibles, retorts, stills, etc.	Do.
Conomatie, A E G, Fada, Radio.....	No. 36—Machinery and vehicles.	Do.
Fada Radio.....	No. 37—Telegraphs, telephones, radios, signals.	Do.
West-End.....	No. 47—Clothing.	Do.
Mayfair, Fru-Fru.....	No. 57—Perfumed products and toiletries.	Do.
Bambi.....	No. 72—Sporting apparatus and articles, games and toys.	Do.
Bambi.....	No. 74—Waterproof cloth and clothes, rubbers.	Do.
Bambi.....	No. 77—Medical instruments and tools, pharmaceutical accessories, etc.	Do.
Arsodin, Avlon, Avlon, Nolva, Nolvassan, Nolvadex, Avlodyl, Alvodex, Loricide, Diaquone, Flaviquin, Tetmosol, Trijone, Tannisan, Sulfasilbo, Vitasulfina, Mamina, Pyotylquinio Bras, Luminafon, Talbortina, Fontol, Linisan, Dispadal, Relampago, Cordiasten Verbano, Multivitol, Eptavittina, Menevitil, Vitminoril, Vabecodum, Catexina, Calgluter, Ipedral, Methergin, Scilmurin, Xanedrin, Fexantol, Tenefedrin, Erce Feral, Fenilxan, Oafolan.	No. 75—Chemical and pharmaceutical products.	Do.

Trade-mark	Class No. and product	Date of publication
Soundsciber.....	No. 80—Musical and acoustic instruments.	1943 Oct. 15

Uruguay.—The following applications for trade-mark registration were published in the Diario Oficial of Montevideo, on the dates noted. Opposition must be filed within 30 days from the date of publication:

Trade-mark	Product	Date of publication
Algiovit.....	Drugstore and chemical products.	Oct. 11 to 16, 1943.
Cadol.....	Perfumery and toilet articles.	Do.
Gould.....	Electrical material and equipment.	Do.
Lanol.....	Perfumery and toilet articles.	Do.
Gutur Solumida.....	Drugstore and chemical products.	Do.
Gutur Ovutamp.....	do.	Do.
India.....	Building material.	Do.
Bengal.....	do.	Do.
Fulton.....	Drugstore and chemical products.	Do.
Vimiral.....	do.	Do.
Seat.....	do.	Do.
Santa Carolina.....	Beverages.	Oct. 18 to 23, 1943.
Mir.....	Industrial and agricultural machinery.	Do.
Zig-Zag.....	Tobacco, cigarettes, cigars, etc.	Do.
Anglo.....	Soap, candles, matches.	Do.
Brosal.....	Drugstore and chemical products.	Do.
Cronex.....	Jewelry, watches, clocks.	Do.
Arconga.....	do.	Do.
Caola.....	Toilet preparations.	Do.
E. I. C. U.....	Foodstuffs, groceries, etc.	Do.
Nulodor.....	Drugstore and chemical products.	Do.
Bima.....	do.	Do.



U. S. Dept. of Labor

U. S. Export Control and Related Announcements

Developments communicated to the Trade Controls Unit up to Tuesday, November 9, 1943:

No. 498—Current Export Bulletin No. 131

The Office of Exports has issued Current Export Bulletin No. 131 covering the following items:

I. General Licenses for Shipments of Limited Value (GLV).

A. The provisions of paragraph d under Title E, page 86 Comprehensive Export Schedule No. 12, pertaining to general licenses for shipments of limited value (GLV) have been rescinded.

B. 1. In paragraph a of Title E (Comprehensive Export Schedule No. 12, pages 84-86), the articles and materials listed below are deleted from the list of commodities. These have not been exportable under general license in quantities valued at more than \$1 but may now be exported in quantities up to \$25 in value in accord with the provisions of paragraph a. (Certain of these listings are proprietary names, the commodity itself remaining on the list under its correct "Schedule B" name):

Commodity	Schedule B number
Adalin.....	8135.98.
Ammonia (anhydrous).....	8390.00.
Ammonium sulphate.....	8505.00.
Aniline oil and salts.....	8025.15, 8025.19.
Atophan.....	8135.98.
Benzyl chloride.....	8025.98.
Beta naphthol.....	8025.30.
Carbon tetrachloride.....	8329.10.
Chlorine.....	8392.00.
Chlorobenzenes.....	8069.98.
Chloroform.....	8329.98.
Chromium salts and compounds.....	8367.00, 8359.11, 8309.00, 8396.71 through 8398.78, 8429.05.
Coal-tar colors, dyes, stains, and color lakes.....	8059.00.
Cobalt salts and compounds.....	8299.90, 8396.91 through 8398.98, 8429.00.
Cork.....	4302.00 through 4309.98.
Electric curling irons, coffee percolators, flat irons, toasters, waffle irons and other domestic electric heating or cooking devices and utensils, and parts therefor.....	7071.05, 7071.98, 7073.05, 7073.98, 7099.98.
Lead salts and compounds.....	8202.00, 8299.90, 8308.98.
Medinol.....	8135.98.
Movatophan.....	8135.98.
Phosphorus.....	8398.87.
Plastics, casein.....	8258.01.
Plastics, cellulose acetate.....	8245.05, 8265.98.
Plastics, cellulose nitrate.....	8244.00.
Plastics, resins, other.....	8268.88, 8260.98, 8261.98.
Potash salts.....	8531.01, 8531.03, 8531.05.
Potassium chromate and bichromate.....	8367.00.
Rochelle salts.....	8350.39.
Salfpyrin.....	8135.98.
Sewing machinery parts.....	7553.05, 7553.98.
Strontium salts and compounds.....	8397.80 through 8397.88.
Superphosphate.....	8519.00.
Tanning materials, chromium.....	8230.01.
Titanium salts and compounds.....	8398.10, 8398.13, 8428.00.
Urea formaldehyde resins in unfinished forms.....	8257.07, 8257.98, 8260.07, 8261.07.
Zirconium salts and compounds.....	8398.51 through 8398.58.

2. In paragraph a of Title E, the articles and materials listed below are added to the list of commodities which may not be exported under general license in quantities valued at more than \$1:

Commodity	Schedule B number
Animal oils and fats, edible.....	0050.00 through 0059.00.
Animal oils and greases, inedible.....	0083.00 through 0088.05.
Arnica.....	2209.33, 8124.08.
Arsenic salts and compounds.....	8309.90, 8309.98.
Barbituric acid and derivatives.....	All.
Beef suet, inedible.....	0858.88.
Calcium gluconate.....	8135.88.
Carbarsone.....	8127.98, 8180.98.
Carbromal.....	8127.98, 8180.98.
Cassara bark and derivatives.....	2201.00, 8124.98, 8127.98.
Chaulmoogra oil.....	2249.98.
Cinchonidine.....	All.
Cinchonine.....	All.
Cinchophen.....	8135.88.
Cocoa.....	1501.00 through 1508.00.
Coffee.....	1511.00, 1512.00.
Coffee extracts and substitutes.....	1513.00.
Colchicum and derivatives.....	2209.29, 8124.98, 8127.98, 8135.88.
Confectionery.....	1634.00 through 1637.00.
Dairy products (excepting fresh and sterilized milk, infants' foods, malted milk).....	0061.00 through 0067.90.
Dental instruments (burs, hand-pieces, and contraptions only).....	9150.00.
Egg products, n.e.s., dried and frozen.....	0093.05, 0093.07.
Eggs, in the shell.....	0092.00.
Emetine.....	All.
Fish and fish products.....	0070.00 through 0090.98.
Fruit juices.....	1772.00 through 1779.00.
Fruits and preparations.....	1302.00 through 1305.00, 1310.00 through 1312.00, 1321.00 through 1328.00, 1330.05 through 1347.00.
Gelatin capsules, empty.....	0099.00.
Gas masks.....	9190.98.
Guaicol.....	8135.98.
Gum benzoin.....	2189.93.
Hops, concentrated hops and hop extract.....	1259.98, 2951.00, 2099.91.
Hormones.....	8123.00, 8135.98.
Lactose (milk sugar).....	8135.98.
Lanolin.....	0858.05.
Mapharsen.....	8124.98, 8135.98.
Meat products.....	0020.00, 0021.00, 0027.00 through 0038.18, 0037.00, 0038.00, 0039.00.

1 Include all forms, conversions, and derivatives.

"What you're making
may save my Daddy's life"



Official OWI Photo

Commodity	Schedule B number
Neocarsphenamine.....	8124.98, 8135.98.
Peanuts and peanut butter.....	1259.98, 1375.00.
Phenolphthaleine.....	8135.98.
Penicillin.....	8124.98, 8135.98.
Quinidine.....	All.
Rice:	
Paddy or rough rice.....	1055.00.
Milled rice, including brown rice, broken rice and rice screenings.....	1057.00.
Rice flour, meal and polish.....	1058.00.
Sago.....	2401.00 through 2419.00.
Seeds (except oilseeds).....	2468.50, 2468.90.
Serums and antitoxins.....	8121.00.
Stramonium.....	2209.25, 8124.98, 8127.98, 8180.14, 8180.19.
Sulfarsphenamine.....	8124.98, 8135.98.
Tapicoca.....	1259.98.
Thermometers, clinical.....	9190.98.
Tobacco, unmanufactured leaf (bright flue-cured).....	2601.00.
Totaquine.....	8157.05.
Vaccines.....	8122.00.
Vegetable oils.....	2230.00 through 2249.98.
Vegetable oils and fats, edible.....	1447.00 through 1449.98.
Vegetables and preparations.....	1201.10 through 1202.50, 1208.00, 1211.00, 1241.00 through 1251.00, 1252.95, 1253.00 through 1259.03.
Vegetable tallow and wax.....	2999.05.
Vitamins and vitasterols (all).....	8119.98.
Yeast.....	1259.98.

3. Penicillin, Schedule B numbers 8124.98, 8135.98, is added to the list in paragraph b of Title E, of commodities which require an individual license for exportation in any amount to any destination except Canada.

C. Title F, page 86, is amended to read:
F. General License for Medicinals and Pharmaceuticals (GLV) Special Provisions.

a. A medicinal is defined as "any pharmaceutical, drug, or chemical usable for the preventing, healing, curing, alleviating, or treating of disease and for which there is no accepted industrial use".

b. All medicinals may be exported under general license to Iceland in any quantity provided the value of any commodity listed in E above, which is contained in or is a component of such medicinal, does not exceed \$1.00 in a single shipment.

c. Medicinals may be exported under general license to Group K destinations where, in a single shipment, the net value of any specific item does not exceed \$100, provided the quantity of any item listed in E above does not exceed a value of \$1.00 in the proposed shipment.

The lists of commodities formerly included in paragraphs a and b of Title F are deleted.

D. Exportations made under the general licenses for shipments of limited value must not exceed the net value (\$1, \$25, or \$100) as set forth under titles E and F of Comprehensive Export Schedule No. 12, pages 84-86 (see also title 9, paragraph B, page 130). The exporter shall enter on his export declaration for such a shipment the following statement:

"The value stated herein for exportation under General License GLV is not less than the domestic market price of the commodities."

E. "Net value" is redefined to mean "the actual selling price less shipping charges or the domestic market price at the time and place of shipment, whichever is the larger." "Single shipment" as used has been defined to mean "all commodities classified under a single Schedule B number which move at the same time from the exporter to one importer on the same exporting carrier."

II. Revision of General in-Transit Licenses (GIT).

1. In order to bring about further simplification of export control procedure, the Office of Exports announces a complete revision of the general in-transit licenses. In place of the many different general in-transit licenses previously existing, there will now be only two.

2. As used in connection with general in-transit licenses, an "in-transit shipment" shall mean a shipment of a commodity or commodities from one foreign country to another foreign country, via the United States or any place subject to the jurisdiction of the United States, for which no formal or informal consumption entry has been made at a United States customhouse.

3. General in-transit licenses have been granted (subject to the exceptions set forth

in paragraph 5 below) authorizing the exportation of in-transit shipments of commodities passing through the United States* from those countries of origin to those countries of destination set forth directly opposite the respective general license designation for each such license in the following table.

*Or any place subject to the jurisdiction of the United States.

General license designation	Countries of origin	Countries of destination
GIT-A/A.....	All countries except enemy or enemy occupied countries.	All countries except: a. Enemy or enemy occupied countries. b. The countries in List S, and c. The countries in List M.
GIT-C/MS.....	Canada.....	The countries in List S and the countries in List M.

The countries referred to above as List S are the following:

French West Africa.	Spanish Atlantic Islands.
French North Africa.	Spanish and International.
Argentina.	Morocco and Tangier.
Eire.	Sweden.
Portugal.	Switzerland.
Portuguese Atlantic Islands.	Turkey.
Portuguese Guinea.	
Spain.	

The countries referred to above as List M are the following:

Aden.	Khorya-Morya Island (Aden).
Anglo-Egyptian Sudan.	Lebanon (Syria).
Arabia (Saudi).	Libya.
British Somaliland.	Perim Island (Aden).
Cyprus.	Saudi Arabia.
Egypt.	Sokotra Island (Aden).
Eritrea.	Sudan, Anglo-Egyptian.
Ethiopia.	Syria.
French Somaliland (French Somali Coast).	Trans-Jordan and Palestine.
Iraq.	Yemen.
Italian Somaliland.	
Kamaran Island (Aden).	

4. A person exporting pursuant to one of the above general in-transit licenses shall state in his export declaration the particular general license designation under which he is permitted to make the exportation.

5. Limitations on Use—

a. The regulations governing exportation to Blocked Nationals apply to shipments under general in-transit licenses.

b. In the case of any shipments under a GIT license of material originating in Portugal, Spain, Switzerland, or Sweden, the following procedure must be observed:

i. There shall be presented to the Collector of Customs at the last port of exit from the United States either (1) a Certificate of Origin and Interest covering the shipment and issued in Europe pursuant to directions laid down by the Joint Anglo-American Blockade Committee or (2) a document replacing the original certificate and issued by a British Consular officer in the United States.

ii. The name and address of the ultimate consignee must coincide with the name and address of the ultimate consignee as stated in the document specified in (1).

iii. After presentation to the Collector of Customs, the described document will be returned to the shipper so that it may be forwarded if desired, to the ultimate consignee.

c. No exportation may be made pursuant to general in-transit license GIT-C/MS, except to the countries in List M and to the armed forces of the United Nations located in List S destinations, unless a Canadian export permit or British Imperial export license, specifying the nature of the shipment and ultimate consignee in the country of destination, is surrendered to the United States Collector of Customs at the last port of exit from the United States.

d. In-transit shipments involving the commodities in the list* on pages 83 and 84 of Comprehensive Export Schedule No. 12 will require individual export licenses, except when shipments thereof are proceeding (1) from any part of the British Empire to any other part of the British Empire, (2) from Mexico in bond through the United States to another part of Mexico, (3) between the Republic of Panama and any destination within the scope of general in-transit license GIT-A/A, through the Panama Canal Zone, (4) from Canada to any destination.

III. Program License No. WSP-1 Authorizing Exportations to Western Samoa

A. THE PROGRAM

Effective October 15, 1943, a program license has been issued to the New Zealand Supply Mission, authorizing the exportation to Western Samoa (New Zealand Mandated Territory) of specific kinds and quantities of commodities for specified end-uses. Effective October 15, 1943, this destination is deleted from the British Empire Destinations as announced in List A, Current Export Bulletin No. 89. Announcement 455 in FOREIGN COMMERCE WEEKLY for April 17, 1943, and exportations to this destination made subsequent to that date are to be made under this program.

B. REVOCATION OF CERTAIN GENERAL AND UNLIMITED LICENSES

The revocation of certain general and unlimited licenses applicable to the destinations covered by this program was announced in Current Export Bulletins Nos. 89 and 103. (Announcements 455 and 470 in FOREIGN COMMERCE WEEKLY for April 17 and July 10, respectively.) Certain general licenses which continue in effect are as follows:

- (a) General In-transit Licenses—GIT.
- (b) General License—GUS.
- (c) General License for shipments valued at \$100 or less, at \$25 or less or at \$1 or less as the case may be—GLV.
- (d) Personal Baggage.
- (e) Ship stores, fuel and supplies.
- (f) Plane stores, fuel and supplies.

*Two changes have been made in this list. The following commodity has been deleted from it:

Goat skins, Schedule B Number 0250.10 and 0250.12; and the following commodities have been added to it:

Canton	3205.01
Maguey or Cantala.....	3205.13
Pacoi	3205.17
Henequen.....	3205.19
Sunn	3205.21
Hemp yarn.....	3399.20
Ramie yarn.....	3399.25
Cordage, except of cotton or jute.....	3411.00 through
Sisal or henequen,istle or Tampico, Canton, maguey, pacoi, and sunn yarns	3499.09

- (g) Return of empty containers—GEC.
- (h) Technical data.
- (i) Newspapers and Publications—G-PUB.
- (j) Metal drums and containers.
- (k) Photographic films, plates and paper—GPF.

C. RELEASE CERTIFICATES UNDER BRITISH PROGRAM LICENSE

Release certificates covering exports to this destination issued prior to October 15, 1943, under the British Program License procedure announced in Current Export Bulletin No. 89, will remain valid until their expiration dates. Release certificate applications covering exportations to this destination, pending on October 15, 1943, will be considered as applications for export under the British Program License No. BE-1. Applications for release certificates under the British Program License No. BE-1 covering exportations to this destination, submitted after October 15, 1943, will be returned without action and exporters should resubmit in accordance with the provisions of the program.

D. PROCEDURES FOR EXPORTATION UNDER PROGRAM LICENSE

1. With the exception of individual licenses for Ship Store and Bunker Fuel, and for Technical Data, all exportations to this destination will be authorized by the issuance of release certificates (either individual release certificates or "SP" release certificates) by the Office of Exports. Release certificates issued pursuant to the program will remain valid for one year from date of issuance. Exporters desiring to export commodities to this destination will prepare all applications for release certificates on Form BEW 119 until a new form has been made available. The Form BEW 119 should be submitted in triplicate unless a preference rating or other WPB release or assistance is required. In such cases, the quadruplicate copy should also be submitted. An acknowledgment card (BEW 116) should accompany each application for a release certificate.

2. Applications for release certificates, except "SP" release certificates, under this program should be mailed directly to the New Zealand Supply Mission, Post Office Box 680, Benjamin Franklin Station, Washington, D. C. The location of the New Zealand Supply Mission is Room 306, McGill Building, 908 G Street NW., Washington, D. C. After examination by the New Zealand Supply Mission, release certificates will be forwarded by it to the Office of Exports, Office of Economic Warfare, Washington 25, D. C., for final consideration. Applications for "SP" release certificates should be submitted directly to the Office of Exports.

3. Exportations under this program may not be made with the knowledge or intention that the commodity exported hereunder is to be reexported from the country of destination unless the reexportation has been authorized by the Office of Exports. Such reexportations are authorized, however, when made solely between the destinations included in this program.

E. APPEALS

Exporters whose application for a release certificate or for an extension thereof has been rejected, or whose release certificate, has been revoked, may appeal from such rejection or revocation by filing an appeal with the Office of Exports, Office of Economic Warfare, Washington 25, D. C. In filing an appeal, the same procedure shall be followed as is presently in effect for appeal from rejected license applications (Comprehensive Export Schedule No. 12).

PRICE CONTROL

No. 15—Export Price on Lard (Amendment No. 4 to 2d Revised Maximum Price Regulation).

The Office of Price Administration has issued Amendment No. 4 to the 2d Revised Maximum Export Price Regulation,

effective November 8, 1943, together with an explanatory press release as follows:

To eliminate uncertainty resulting from lack of uniformity in premiums charged on exports of lard, the Office of Price Administration today set a specific premium which exporters may add to their domestic maximum prices.

The premium must amount to no more than 8 percent of the domestic maximum price at the Chicago basing point, under today's action, which was taken after consultation and communication with lard exporters.

Previously, under the export price regulation, exporters established their premiums according to average premiums prevailing in the trade during one of two base pricing periods. These two periods are the last six months of 1940, and from March 1 to April 15, 1942. This optional method resulted in a great diversity of premiums applied to export sales and created doubt as to average premiums prevailing in the trade. Consequently, there was also doubt as to the legally permissible premium.

OPA expects the establishment of the specific 8 percent premium for all exportations of lard to have a stabilizing effect on the industry.

The price at the Chicago basing point established by Maximum Price Regulation No. 63 (Fats and Oils), is used as the maximum domestic price on which the premium is figured because Chicago is the center of the industry and most exports originate from that area.

Today's action is taken in amendment 4 to the Second Revised Maximum Export Price Regulation which is effective November 8, 1943.

REGULATION

PART 1375—EXPORT PRICES

(Document No. 23616)

[2d Rev. Max. Export Price Reg. Amdt. 4]

EXPORT PRICES

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

The 2d Revised Maximum Export Price Regulation is amended by adding a new section 7 (e) to read as follows:

(e) *Lard.* The maximum export premium to be charged on an export sale of lard shall be 8 percent of the maximum price for the particular type of lard, appropriately packed, at the Chicago basing point, determined under Maximum Price Regulation No. 53.

This Amendment No. 4 shall become effective November 8, 1943.

(56 Stat. 23, 765; Pub. Law 151, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 2d day of November 1943.

CHESTER BOWLES,
Acting Administrator.

* 8 F.R. 4132, 5987, 7662, 9998.

* Copies may be obtained from the Office of Price Administration.

New Books and Reports

★ The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. Please note: The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Current Interest Appearing in the Department of State Bulletin October 30, 1943

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., for the price of 10 cents each; subscription prices \$2.75 a year. The October 30 issue contains these articles.

THE STATE DEPARTMENT AND ITS FOREIGN SERVICE IN WARTIME: ADDRESS BY ASSISTANT SECRETARY SHAW.

THE COMBINED FOOD BOARD: Canadian Representation. Designation of the War Food Administrator as United States Member.

ADDRESS BY JOSEPH C. GREW ON NAVY DAY. THIRD ANNIVERSARY OF THE ITALIAN ATTACK ON GREECE.

TWENTY-FIFTH ANNIVERSARY OF THE INDEPENDENCE OF CZECHOSLOVAKIA.

ADDRESS BY JOSEPH C. GREW ON THE BIRTHDAY ANNIVERSARY OF THEODORE ROOSEVELT.

SELECTIVE SERVICE REGISTRATION OF AMERICAN CITIZENS IN FOREIGN COUNTRIES.

LIAISON BETWEEN THE DEPARTMENT OF STATE AND THE FOREIGN ECONOMIC ADMINISTRATION.

SUPPLEMENTAL TRADE-AGREEMENT NEGOTIATIONS WITH CUBA.

PUBLICATION OF "FOREIGN RELATIONS OF THE UNITED STATES: THE PARIS PEACE CONFERENCE, 1919," VOLUMES XXX AND IV.

INTERNATIONAL PACIFIC SALMON FISHERIES COMMISSION.

MILITARY MISSION AGREEMENT WITH PARAGUAY.

Other Publications

CUSTOMS REGULATIONS OF THE UNITED STATES: EDITION OF 1943. United States Treasury Department, Bureau of Customs. 1943. 636 pp. Price, \$1.50.

Available from: Superintendent of Documents, Government Printing Office, Washington 25, D. C.

THE NEED FOR A "SETTLER" OF BALANCES IN INTERNATIONAL PAYMENTS. AMOS E. TAYLOR. 1943. The Monetary Stand-

ards Inquiry No. 1. 16 pp. Price, 10 cents. Points out that currencies cannot be kept stable in relation to each other unless individual nations possess "a mechanism of international settlement of accounts which will really function." Discusses the need for an effective and adequate medium for the payment of net balances due from one country to another, as a result of international transactions.

Available from: The Monetary Standards Inquiry, 408 Graybar Building, New York 17, N. Y.

MANUAL OF SUGAR COMPANIES 1943. Farr & Co. 1943. 21st ed. 231 pp. Illus. Price, \$1. Contains important statistics of sugar companies and the sugar industry, with other general information of reference value. Includes fully revised descriptions of important sugar producing and refining companies. Discusses United States sugar control, with outline of the Sugar Act of 1937 and amended acts, sugar quotas of 1942, ceiling prices and rationing; the beet-sugar industry of the United States, and the cane-sugar industries of Louisiana, Puerto Rico, and the Dominican Republic; the sugar industry of the British West Indies and of Hawaii; and many other related matters. Statistical tables present production, yields, consumption, and other vital facts.

Available from: Farr & Co., 90 Wall Street, New York 5, N. Y.

THE COUNTRIES OF CENTRAL AMERICA: A FINANCIAL AND ECONOMIC REVIEW. The Chase National Bank of the City of New York. 1943. 15 pp. Discusses foreign trade, currency, banking, exchange regulations, and government finances of the countries of Central America.

Available from: The Chase National Bank of the City of New York, Pine Street Corner of Nassau, New York 15, N. Y.

PUBLIC THINKING ON POST-WAR PROBLEMS. Jerome S. Bruner. 1943. Planning Pamphlet No. 23. 36 pp. Price, 25 cents. An attempt to study well in advance the reaction of the American people to a group of important post-war issues, many of which are not now clearly defined to the man in the street. Includes discussions of public opinion as it relates to full-employment planning, reconversion, demobilization, aid to soldiers, post-war purchasing power, and social security.

Available from: National Planning Association, 800 21st Street N. W., Washington 6, D. C.

CANADIAN-AMERICAN COMMERCIAL ARBITRATION FACILITIES—RULES OF PROCEDURE. The Canadian-American Commercial Arbitration Commission. 1943. 16 pp. Describes the way in which the rules laid down by this Commission work. At the end of the booklet are listed the rules themselves.

Available gratis from: American Arbitration Association, 9 Rockefeller Plaza, New York 20, N. Y.

RECENT AMERICA: A HISTORY OF THE UNITED STATES SINCE 1900. Henry Bamford Parkes. 1943. 700 pp. Price, \$3.50.

Describes the chief forces involved in the development of American society during the past 40 years. Endeavors to fill in the economic and social background and places particular emphasis on those questions, both domestic and foreign, which are believed likely to be of greatest importance during the coming decade. Discusses the growth of industrial corporations, the rise of trade unionism, the condition of agriculture, and many other conditions and forces. Considerable attention is centered also on relations with Latin America and Japan, and with European nations during the twenties and thirties.

Available from: Thomas Y. Crowell Co., 432 Fourth Avenue, New York 16, N. Y.

THE OUTLOOK FOR POST-WAR AMERICAN INVESTMENTS ABROAD. Institute of International Finance of New York University. 1943. Bulletin No. 128. 19 pp. Discusses the opportunities for developing the economically retarded areas in the Far East and the Western Hemisphere in the post-war period.

Available from: Institute of International Finance of New York University, 90 Trinity Place, New York 6, N. Y.

WESTERN HEMISPHERE SYSTEM OF COMMERCIAL ARBITRATION FOR THE SETTLEMENT OF FOREIGN-TRADE CONTROVERSIES—QUESTIONS AND ANSWERS ON ITS BASIC ORGANIZATION PRINCIPLES AND JUDICIAL FACILITIES AND THEIR USE. American Arbitration Association. 1943. 16 pp. Describes the three systems of commercial arbitration for the settlement and control of foreign-trade controversies arising among the nationals of the American republics and between Canadians and Americans, and how those systems may be used.

Available gratis from: American Arbitration Association, 9 Rockefeller Plaza, New York 20, N. Y.

Cuba Produces Good Potatoes

"The Miracle of Moron" is the headline that the Revista Nacional, of Habana, Cuba, puts on a recent item concerned with an achievement in potato production. A sugarcane farmer ("colono cafiero") near the town of Moron in the Province of Camaguey was persuaded to put part of his land in potatoes, and planted a few barrels. Much to his surprise, he got a yield of 24 barrels for each one planted, says the story in the Cuban magazine—this outcome being particularly gratifying in view of the fact that Cuba is not ordinarily regarded as a country especially suited to the growing of this crop.

Several secret oil and soap factories were recently discovered in Belgium by the Germans, who seized 880 gallons of palm oil and about 800 pounds of stearin. The concern was manufacturing shaving soap—a product now almost unobtainable in Belgium.

Contributors' Column

Donald F. Heatherington ("Northern Ireland").—See the October 9, 1943, issue of FOREIGN COMMERCE WEEKLY.

Charles A. Howard ("Electrification for the American Republics") was born in Portland, Maine. After graduating from the Massachusetts Institute of Technology in 1906 he became assistant to the chief engineer of the Consolidated Edison Co. of New York. Later he was chief engineer and vice president of Gunn Richards & Co., New York City, consulting engineers. After the First World War, Mr. Howard became chief engineer of A. B. Leach & Co. and of P. W. Chapman & Co., bankers and owners and operators of public-utility, industrial, and oil properties. He was treasurer and assistant to the president of the United States Lines (ocean shipping organization). Mr. Howard was with Ford, Bacon & Davis, Inc., engineers, from 1935 until he became Technical Director of the Inter-American Development Commission. He has spent several years altogether in Europe, Asia, and Latin America doing financial, engineering, and development work.

Electrification for the American Republics

(Continued from p. 5)

watts, compared with 212,000 at the close of 1940. Production of electric power in Peru has increased 37 percent since 1939, in consequence of the growing industries.

To Harness the Sao Francisco

Brazil has plans to harness the great Sao Francisco River with a series of dams and to exploit the agricultural and mineral resources—iron, gold, mica, bauxite, quartz, diamonds, and copper—of this 260,000-square-mile valley.

The Sao Francisco River is 1,800 miles long, and most of it is navigable through the stretches between the falls and rapids indicated below as power sites. Just below the city of Itaparica and 140 miles from the mouth of this river, the great Paulo Affonso Cataracts have a fall of 265 feet. Here a hydroelectric station is projected to develop 600,000 horsepower. Another falls just above Itaparica is said to be capable of generating 200,000 horsepower. Higher up the river near Joazeiro is a third power site, and a fourth is much higher up near Pirapora. The American Technical Mission to Brazil has suggested a survey for the development of this river similar to the one used in developing the Tennessee Valley.

Brazil Electrifies Rail Line

Brazil also plans to electrify more of its railroad mileage, and work has actually begun on that 90-mile section of the Sorocabana Railroad which connects Sao Paulo, the industrial metropolis of Brazil, with the important city of Sao Antonio. This railroad, which is double-tracked through its entire length, is owned by the State of Sao Paulo. This electrification project will cost over \$10,000,000 and is expected to take about 3 years to finish.

The line is meter-gage—that is, with the rails 39 inches apart as compared with 56½ inches on the United States railroads. The present rails are being replaced with heavier ones, and the 80-ton locomotives now in use are to be replaced with 180-ton electric locomotives, said to be the heaviest electric locomotives ever built for meter-gage track. Ten of these locomotives have been ordered from the United States. For suburban service, trains of three coaches each will be used, orders for which have also been placed in the United States.

Brazil has abundant waterpower accessible to this line, which in the past has used imported coal and firewood. All available wood has been cut within several miles on either side of the line, and wood must now be hauled for considerable distances. The Sorocabana Railroad has a total length of 1,316 miles and serves the Poços de Caldas region of southern Brazil which is an important center for bauxite and other minerals. One branch of the line connects with the port of Santos.

Brazil now has a total of 1,343 electric power installations of various types supplying light and power to 2,179 communities. In 1940 Brazil had an installed capacity of 993,742 kilowatts, of which 732,000 kilowatts represented hydroelectric plants and 193,140 steam plants. Nearly all the hydroelectric power at present produced in Brazil is concentrated in the industrial State of Sao Paulo and in Rio de Janeiro.

Argentina's Position

The Argentine Republic finds itself in a relatively disadvantageous position so far as the development of hydroelectric power is concerned, because both the population and the industry of this Republic are concentrated in the Atlantic seaboard area, in and around the Province of Buenos Aires, while the water-power sites are several hundred miles away in the foothills of the Andes.

Argentina at present has 700,000 kilowatts of installed electric power, of which 542,000 kilowatts are in the Province of Buenos Aires. The Republic has only 31,000 kilowatts of hydroelectric power, nearly all of which is in the Provinces of Mendoza, Cordoba, and Tucuman.

As part of the national public-works program, Argentina plans to build a number of irrigation projects impounding large lakes in the northern and western region. Wherever possible this water

also will be used to produce electric power, though power is secondary to irrigation.

Control by Own Nationals

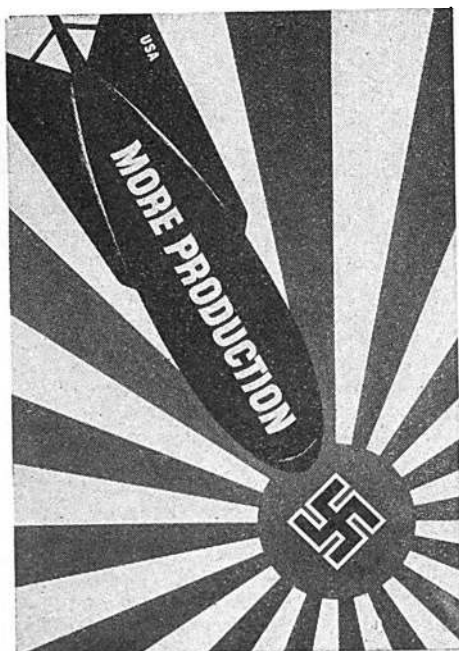
A number of the South American countries have indicated their desire to have their electric-power facilities controlled by their own nationals. They desire foreign equipment and foreign technical assistance more than foreign capital in the development of their water-power resources.

If they develop their water power with their own capital and distribute the power to their principal consumption centers at a reasonable cost per kilowatt, their economic positions will be materially strengthened by the extent to which their foreign-exchange requirements for the purchase of imported fuel will be reduced as well as by the advantages which will accrue from the use of the power itself.

There should be an opportunity for engineers and manufacturers in the United States to participate on a mutually advantageous basis, in these large programs of the South American republics for water-power developments.

Basic Factor in Expansion

The hydroelectric power potential of Latin America, three times that of the United States, is expected to prove a basic factor in the post-war industrial expansion of the republics to the south. Only 2,000,000 of the Latin American potential of 80,000,000 kilowatts has been developed. Brazil—which ranks fourth to the Soviet Union, the United States, and Canada in potential hydroelectric power—has a potential of 19,000,000 kilowatts, which, if realized in industrial energy, would go far toward providing the power needed for industrializing that nation.



Official OWI Photo

News by COUNTRIES

(Continued from p. 17)

Uruguay

Tariffs and Trade Controls

Seed Potatoes: Duty-Free Importation Authorized.—The importation free of customs duties and other charges of a maximum of 7,000 tons of seed potatoes was authorized by a decree of September 17, 1943, published in the *Uruguayan Diario Oficial* of September 28. This amount is considered sufficient for the forthcoming summer sowing.

[For previous announcements relative to the importation of potatoes, see *FOREIGN COMMERCE WEEKLY* of August 14, and September 4, 1943.]

Commercial Departments Established in Uruguayan Embassies in Argentina and Brazil.—The creation of a Commercial Department in the Uruguayan Embassies in Argentina and Brazil was announced by the Ministry of Foreign Relations, October 2, 1943.

[The opening of an Information Service in New York City operating under the direction of the recently established Commercial and Financial Department of the Uruguayan Embassy in Washington was announced in *FOREIGN COMMERCE WEEKLY* of September 11, 1943.]

Northern Ireland

(Continued from p. 9)

the excess manpower, but this work has virtually ceased, as has the construction of air-raid shelters. Undoubtedly most of the unemployed at the present time are unskilled workers (either incapable of being retrained or unwilling to move to centers of demand) and unemployables.

Government Finance

Although the Government of Northern Ireland has extensive powers to spend, it has very limited powers to tax. Under the terms of the Government of Ireland Act, 1920, the most important tax powers—customs and excises, postal revenues, income tax and surtax, and any other taxes on capital or profits—were reserved to the United Kingdom Government. In normal times over 70 percent of the taxation levied in Ulster is represented by this "reserved" taxation, and at present 90 percent of total revenues is so raised. The remaining taxes, including death duties, entertainment duties, and license duties, are collected by the Ulster authorities. After providing for the cost of Government services (i. e., the reserved services) in Northern Ireland, an amount estimated to be sufficient, together with domestic collections, to meet expenditures of the Northern Ireland Government is allocated to Ulster from the "reserved" rev-

enues by the United Kingdom Government. The balance of the "reserved" revenue remaining is considered as representing Ulster's contribution toward the general expenditures of the United Kingdom.

The determination of the net allocation to Northern Ireland is made by an independent statutory board known as the Joint Exchequer Board on which representatives from the British Treasury and Northern Ireland both sit. In making the allocation the broad principles considered are (1) the existence of common standards of taxation in both areas, (2) the maintenance of equal social services, and (3) the provision of other services with regard to local standards. The amounts allocated and the size of the contribution to the general fund of the United Kingdom have varied in accordance with the economic conditions prevailing in Northern Ireland.

During the depression only a small contribution was made, but to date Northern Ireland has not shown a budgetary deficit nor been unable to make at least some contribution. The total amount paid as contribution during the 18 years of self-government prior to the war amounted to about £30,000,000, ranging from over £6,000,000 in 1 year to as low as £24,000 in another.

In the same 18-year period direct payments from the British Exchequer for unemployment equalization payments and assistance in the early years amounted to some £20,000,000.

During the war the contribution and allocations have continued, although under a slightly different arrangement. A level of ordinary expenditure was fixed at £13,000,000 per year, and the allocation has been made on this basis. "Excess war expenditure" above this figure is repaid to the Northern Ireland Government by a direct Vote of Credit of the United Kingdom Parliament. Thus, the wartime contributions to March 31, 1943, are estimated to total £50,000,000. The direct repayments for excess war expenditures have, in the same period, amounted to an estimated £10,000,000, and for unemployment assistance to nearly £3,000,000, exclusive of the regular allocations. Comparing the actual revenue returns for the last pre-war years with the estimated revenues for 1942-43, the relative increased yield from the "reserved" revenues in Ulster is greater than the corresponding increase in Great Britain itself.

Banking

Commercial banking in Northern Ireland has been dominated for some time by three institutions having their head offices in Belfast. Two of these banks also operate in Eire, and some of the Eire banks have branches in Ulster. It is difficult, therefore, to separate the accounts which belong to Northern Ireland from those belonging to Eire. A recent investigation has shown, however, that it is a safe assumption to conclude that the deposits of the Northern Ireland banks obtained in Eire are offset by that part of the deposits of Eire banks derived in Northern Ireland.

The accounts of these three banks reflect the changing economic conditions experienced in the Province. Between 1937 and the end of 1942 deposits and credit accounts increased by slightly over \$22,000,000—nearly all of the increase coming since 1939, and \$19,000,000 since 1940. Net profits, bills discounted, and advances have moved steadily downward as a result of the decrease in ordinary commercial activity, while cash holdings have been nearly tripled. It is apparent that there is a tendency to hold cash, either in the form of deposits or in the hand—an observation confirmed by the increase in the notes in circulation from \$4,500,000 in 1939 to \$10,700,000 in 1942. Deposits in the Trustee Savings Banks have also risen, increasing by approximately \$6,000,000 to \$15,000,000 between 1936 and 1941.

Although no statistics are available, it has been stated that the expenditures of the American soldiers have been of considerable benefit to the people both in the country and in the cities. Some of the deposit increase may be the outgrowth of this new volume of "fresh money," but a large percentage of it undoubtedly rises out of the increased employment and the higher wage and price payments.

The Future

Economically, the future of Ulster depends largely upon the ability of the linen industry to regain its preeminent position and upon the market for agricultural products in post-war Britain. Even before the war some effort was being exerted toward the development of new industries, and it may be expected that this effort will be continued, possibly assisted by the movement toward a greater decentralization of industries which is now being advocated in Britain. The comparative absence of mineral raw materials in workable quantities may handicap industrial development to some extent, except in the lighter engineering trades. There are also possibilities of increased revenue from tourists and the location of trans-Atlantic air junction bases in the area, but it is doubtful whether the importance of these two activities will be great enough to compensate for depression in either the linen industry or agriculture.

Army Big Cocoa User as Imports From Latin America Gain

With the increase of the United States quota for civilian use of cocoa to 80 percent of the levels of 2 years ago, cocoa consumption in this country soon will be nearly normal. The other Americas this year have been sending greatly increased amounts of cocoa to the United States, to nourish the armed forces and civilian populations of the United Nations, says a statement by the Office of the Coordinator of Inter-American Affairs.

Part of the cocoa is used as a beverage, and part is made into chocolate for soldiers' field rations, for sale at post

exchanges, and for calories for millions of others in the war effort. Importance of cocoa to the armed forces is indicated by the Army's purchase in the first 8 months of 1943 of 10,000,000 pounds for beverage purposes alone. The amounts used by the Army for chocolate in emergency rations, for cakes and desserts at mess halls, and for sale as chocolate bars are in addition to this.

The increased movement of cocoa has resulted from easing of the shipping situation. The total from the other Americas for the first 8 months of 1943 was more than double that for the corresponding period of 1942. In addition, imports from West Africa increased very substantially.

Importance of cocoa in the economies of the other Americas is shown by the fact that in 1938, a comparatively normal year, it was the most important commercial product in value in Ecuador, the second in the Dominican Republic and Panama, third in Brazil and Costa Rica, and fourth in Venezuela. It was a leading crop in Trinidad, and one of the chief exports from Grenada.

For many years the other Americas were the chief producers of cocoa. Then the cacao tree, of which the cocoa bean is a product, was planted in West Africa. And that section of the world became the chief supplier.

The crop, however, continued an important one for this hemisphere. World consumption of it increased enormously. From 1935 to 1939, the other Americas furnished about 47 percent of the United States' supply. In 1940 and 1941, the United States imported on the average 95,328 tons from Brazil, 19,970 tons from the Dominican Republic, 11,007 tons from Venezuela, 11,414 tons from Ecuador, 3,169 tons from Panama, 2,322 tons from Costa Rica, 1,293 tons from Haiti, and less than 1,000 tons each from Nicaragua, Colombia, Guatemala, Chile, and Mexico.

In 1942, as a result of the shipping situation, imports of cocoa into the United States were only a quarter to a fifth of their normal volume. A very large proportion was used by the armed forces. In 1943, greatly increased consumption has been possible, due to greater imports. Beginning October 1, 1943, cocoa grinders were allowed by the War Food Administration to grind for civilian purposes 80 percent of their grindings in 1941, a banner year for the grinding industry. This was an increase from 70 percent in the previous quarter and 60 percent before that. In addition to their 80 percent civilian quota, many have been grinding for the armed forces. And, late in 1943, business of the grinders was running close to the corresponding months of 1941.

Cocoa developments in the hemisphere in the last year include nationalization of cocoa exports by Brazil. The State of Bahia was authorized by Federal decree to contract credit operations up to the equivalent of \$2,500,000. The credits were to be used, through the Cocoa Institute, for construction, installation, development, and expropriation of warehouses, factories, and equipment of the cocoa trade.



Big Stands of Quinine-Bearing Trees Found in Colombia

The work of an eminent Colombian botanist of the nineteenth century has led to the discovery of what Colombian authorities believe to be one of the most extensive stands of quinine-bearing trees of the world. Bark from these trees already is in production to make quinine for fighting malaria on the battle fronts of the world.

The story of the discovery dates back prior to 1878. At that time Jose Triana, a Colombian botanist, was conducting studies in his native country's forests. This was the period of a great quinine boom in Colombia. In the region around Bucaramanga, Jose Triana discovered trees whose bark was rich in quinine. He wrote an extensive paper on his discovery, which was subsequently published in a French medical journal in Paris.

Nothing more was heard of the discovery till 1917, when a privately financed group of businessmen sent a commission to Bucaramanga to investigate the Triana report. However, no steps were taken by the commission to develop quinine from the Bucaramanga region.

Then, in 1942, the United States Board of Economic Warfare, in collaboration with agencies of the other American republics, launched exploratory missions to discover additional hemisphere sources of quinine to replace lost Far Eastern supplies. One of these missions was sent to Colombia. A member of the Colombian group received a copy of the old Triana report from a friend who had been on the 1917 commission. Botanists were sent into the Bucaramanga area. There they found a stand of trees extending over 700,000 acres, just as Triana told in his French article, more than half a century ago.

Samples of the bark were sent to laboratories. Tests were made, and, again as Triana had written, the bark contained the alkaloids from which quinine is made. Now these trees provide work for hundreds of Colombians. Bark from these forests is moving to ports for shipment to the United States.



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THIS WEEK

Post-War Foreign Markets for U. S. Drugs and Pharmaceuticals.....	3
Latin America's Potentialities for Visual Education.....	5
Mica—Keeps U. S. War Machine Rolling.....	9

DEPARTMENT OF COMMERCE

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Boston 9, Mass., 1800 Customhouse.
Buffalo 3, N. Y., 242 Federal Bldg.
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Chicago 4, Ill., 357 U. S. Courthouse.
Cincinnati 2, Ohio, Chamber of
Commerce.
Cleveland 14, Ohio, 750 Union Com-
merce Bldg.
Dallas 2, Tex., Chamber of Com-
merce Bldg.
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Bldg.
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Bldg.
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Bldg.
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Bldg.
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New York 18, N. Y., Room 1950, 500
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Street.
Pittsburgh 19, Pa., 1013 New Federal
Bldg.
Portland 4, Oreg., Room 313, 520
S.W. Morrison St.
Richmond 19, Va., Room 2, Mez-
zanine, 801 E. Broad St.
St. Louis 1, Mo., 107 New Federal
Bldg.
San Francisco 11, Calif., 307 Cus-
tomhouse.
Savannah, Ga., 403 U. S. Post Office
and Courthouse Bldg.
Seattle 4, Wash., 809 Federal Office
Bldg.

News by COUNTRIES

Argentina.....	10	Iraq.....	18
Bermuda.....	10	Kenya and Uganda.....	18
Brazil.....	10	Madagascar.....	18
British West Indies.....	10	Mexico.....	18
Canada.....	11	Newfoundland.....	20
Ceylon.....	14	New Zealand.....	20
China.....	15	Northern Rhodesia.....	20
Colombia.....	15	Paraguay.....	20
Cuba.....	15	Sierra Leone.....	21
Egypt.....	15	Sweden.....	21
France.....	16	Syria and Lebanon.....	21
French North Africa.....	16	Turkey.....	21
Gold Coast.....	17	United Kingdom.....	21
Hungary.....	17	Venezuela.....	22
India.....	17		

News by COMMODITIES

Beverages.....	24	Nonmetallic Minerals.....	27
Chemicals.....	24	Oils, Fats, and Oilseeds.....	27
Coal.....	24	Paper and Related Products.....	28
Construction (Including Highway).....	24	Petroleum and Products.....	29
Electrical Machinery and Equip- ment.....	25	Railway Equipment.....	29
Foodstuffs and Allied Products.....	25	Rubber and Products.....	29
Hardware.....	26	Scientific and Professional Equip- ment.....	30
Iron and Steel.....	26	Shipbuilding.....	30
Leather and Related Products.....	26	Special Products.....	30
Lumber and Products.....	26	Textiles and Related Products.....	30
Naval Stores and Resins.....	27	Tobacco and Related Products.....	31
Nonferrous Metals.....	27		

REGULAR DEPARTMENTS

United States Export Control and Related Announcements.....	36	New Books and Reports.....	37
Trade-Mark Applications.....	35	Pertinent Comments on World Econ- omy Today.....	11
Latin-American Exchange Rates.....	34	Contributor's Column.....	32

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Post-War Foreign Markets for U. S. Drugs and Pharmaceuticals

By T. W. DELAHANTY, *Drugs and
Pharmaceuticals Unit, Bureau of
Foreign and Domestic Commerce*

THE AMERICAN DRUG and pharmaceutical distributor has not had as aggressive an outlook toward opportunity abroad as the size and domestic accomplishment of the industry would warrant. In pre-war years we should have been selling three times as much as was being sold in world markets. Only about 5 percent of our production was finding export outlets, through the efforts of less than 1 percent of our producers. In post-war years at least 10 percent of our production should go to foreign markets, and every legitimate drug house should have an interest in this development.

Foreign competitors have always been foreign-trade-conscious, and many have consistently disposed of at least one-third of their output in foreign-trade channels. Rare indeed would be the foreign producer who was content with home-market demand. Were we in turn so minded, or could we acquire such an outlook, consider what this multiple export acceptance could mean in terms of post-war economy. Strange as it may seem, the Department of Commerce has experienced more difficulty in inspiring the will to export, among American producers in general, than in assisting those already engaged in exporting to expand the number and volume of their outlets. In contrast with this seeming reluctance on the part of producers to enter the export field is the enterprise of buyers of output even of distress-lot goods, in finding markets abroad for American products at profitable margins. Obviously, the products they dispose of have been previously advertised and introduced, or the demand would not exist, and this is particularly true for medicinals.

Opportunity Beckons

Unfortunately, we are prone to overlook the extent to which demand for United States products is normally developed abroad through the medium of newspapers, magazines, trade journals, radio, motion pictures, shipping services, the traveler, and emergency relief, even in the absence of an organized distribution. In wartime, military and Lend-Lease shipments, as well as the inevi-

EDITOR'S NOTE

This article on "Post-War Foreign Markets for U. S. Drugs and Pharmaceuticals" is the first of a series of articles, to be written by industrial specialists in the Bureau of Foreign and Domestic Commerce, on the post-war opportunities and prospects abroad for a considerable number of the major lines of commodities that enter into our export trade. The articles in this series will appear from time to time in the pages of FOREIGN COMMERCE WEEKLY.

then, that the forward-looking American businessman should fail to take full commercial advantage of the opportunity resulting from such advertising and introduction abroad.

Aside from this, American firms should be actuated to think, now, in terms of foreign marketing, for two additional and vital reasons: (1) our abnormal post-war plant capacity, and (2) the prospect of a post-war surplus.

The Americas: A Fertile Field

At the moment, however, since all the world markets with the exception of Latin America are affected by military or related restrictive factors, this analysis of past and prospective accomplishment will be confined to the relatively normal demand of our southerly neighbors. In that great region is a population comparable in size to that of the

table shifts in commerce, are conducive to the fostering of a long-term and continuing demand. It is inconceivable,



Photo by Albert K. Dawson

On the shopping streets of most big Latin American cities—such as Buenos Aires' famous Calle Florida, here shown—the drug stores ("farmacias") carry ordinarily many U. S. drugs and pharmaceuticals.

United States, but producing at best not more than \$70,000,000 worth of its drug requirements—an amount which is less than one-fourth the pre-war output of the United States. Latin America's normal imports of these products approached (or possibly exceeded) \$30,000,000—which, from recent indications, should form a basis for progressive increase.

Our pre-war contribution was approximately 30 percent of this amount. Germany, however, was the dominant supplier, with an average of 40 percent; France third, with 20 percent; and the United Kingdom, Switzerland, Spain, and others accounting for the remaining 10 percent. Our trade varied in the different countries from 5 percent in Brazil to 70 percent in Panama. Nevertheless, these 20 Latin American countries were normally an outlet for approximately half of our foreign sales in the drug and pharmaceutical field, whereas today they take more than our former total normal sales to all world outlets.

Let us consider the Latin American area by groups. Of the 20 countries, the 10 small ones represent only one-seventh of the total population. They average 2,000,000 persons per country, their medicinal production is limited or non-existent, and their imports average \$400,000 per country per annum. The United States now supplies more than 75 percent of these requirements, in contrast with our pre-war contribution of 25 percent. Their per capita consumption of medicinals in terms of imports is 20 cents—but varies from 4 cents in Haiti to a high of 65 cents in Costa Rica. Consequently, it should not stretch the imagination to visualize double or triple their present imports for consumption.

Noteworthy Trend

By way of illustration: more than \$2,000,000 worth of medicinals are imported by the five Central American countries in this group—Costa Rica, Guatemala, Honduras, Nicaragua, and Salvador. In the light of current agricultural diversification, their trend toward a limited industrialization, and the imminent completion of the Inter-American Highway, the standards of these countries should rise to what might otherwise be considered a fairly high standard of living. Each of these countries should shortly be a million-dollar market for drug products. *Is the American medicinal manufacturer aware of this trend, and will he be on the ground servicing the demand as it materializes? Or will the German drug distributors ultimately find even bigger and better markets in these Central Americas whose market they formerly dominated?*

There are challenging considerations also with respect to the other five small countries. For example, will the Dominican Republic's per capita demand continue to be one-fourth that of Cuba, our leading market in the West Indies, and, in turn, will Haitian demand remain one-eighth that of its co-island inhabitant, the Dominican Republic? Carrying our inquiry further, will the in-

habitants of Bolivia, Ecuador, and Paraguay, which have no drug manufacturing, be content with one-third the per capita imports of their hemisphere associates who, incidentally, are also drug producers. That is far from likely—and there have been growing indications to this effect, of which the more enterprising American drug producers are cognizant. These are taking advantage of the opportunities presented.

Turning next to the 10 major markets of the area, there are 5 countries in Latin America which annually offer a market for from \$1,000,000 to \$2,000,000 worth of medicinal imports. As a group, Venezuela, Peru, Chile, Uruguay, and Panama likewise comprise a population totaling one-seventh that of all Latin America, but the per capita import is double that of the group of 10 small countries previously commented upon. However, unlike the minor customers, three of these major outlets are also substantial and growing producers of these products, though their imports continue to expand. The United States now supplies more than 75 percent of their imports in contrast with an average of 40 percent in pre-war years.

Main Markets Today

Finally, let us consider the five principal markets of Latin America—Brazil, Mexico, Argentina, Colombia, and Cuba, representing five-sevenths of the population. We are now the principal supplier to those nations. Business in any of those countries could surely be promoted to such an extent that we could rely upon them to continue importing a minimum of \$5,000,000 worth of drug products annually. All of these countries are producers, and four of them are, to a noticeable degree, competitors for the growing market of Latin America. In fact, unless we recognize their significance and likewise collaborate in their progressive development in this field, we may shortsightedly "miss out" on what is an unusual opportunity in those countries, as well as in the neighboring countries of Latin America within the sphere of their influence. Here again, the more enterprising of our industrialists are participating in an expanding way, and others have plans in the offing.

"Product Record" Thus Far

With the foregoing perspective of the Latin American markets, we may now consider what have actually been our product accomplishments to date. For example, from a relatively obscure place in 1939 vitamins advanced till they became our ranking export in 1942 and will probably be, before long, a U. S. medicinal export with a monthly value of \$1,000,000 or more. They would be so now if we had the output: Latin America takes only 40 percent, but could use much more and should therefore double its consumption.

Our second important dollar export item is medicinal chemicals, destined to be another in the million-a-month class;

half our export of these now goes to Latin America. This is a highly competitive group, world trade in which was formerly dominated by Germany, but that country's unchallenged position was due more particularly to United States manufacturers' lack of interest in or inertia toward this foreign demand. Our producers say they could have competed with the German products. Now, with the manifest growth of medicinal production in Latin America and relatively limited barriers there to this phase of export trade development, a market for a million dollars a month of medicinal chemicals can be readily realized if we so desire.

The third largest export group is biologicals, glandulars, and injectable products. This group, which normally could likewise aspire to the million-a-month class, has, because of many factors, been retarded during the war. Despite handicaps, however, shipments to Latin America are in excess of double the pre-war amount. Nevertheless, in view of current developments in chemotherapy in the United States and the Latin American preference for and trend toward localized production, the biologicals branch of our industry might well consider expanding decentralized United States production in that area.

Ethicals and Proprieties

As to the fourth export group, usually referred to as the ethicals, it is difficult to comment upon the merits of the export classifications—liquid versus the dry preparations. Collectively, they represent a group which we should normally be exporting much in excess of \$1,000,000 a month. In one of the years since 1939 we realized that volume. The early war ratio of 1 liquid to 2 dry was a logical expectation owing to curtailed shipping space, but the surprisingly increased ratio of 1 liquid to 3 dry, now that space is more available, is a fact which should guide future marketing plans and any thoughts directed toward some phase of localized processing.

Finally, in the proprietary group, which likewise involves a trade of close to \$1,000,000 a month, there is no differentiation as to liquid versus dry preparations, but, when one bases his conclusions on familiarity with the forms of medication in general, it is evident that exports of the dry preparations predominate. One could go further and say that, aside from legislative barriers to self-medication products and despite a 100-percent increase to Latin American countries, one reason why the total value of proprietary exports in the war years has not materially exceeded the pre-war peak is to be found in the limitations inherent in shipping liquids. This is well illustrated in the statistics of liquids such as tonics, cough preparations, personal antiseptics, milk of magnesia, and liniments, which, respectively, have declined to as low as one-half of "pre-war" in contrast with malaria and headache remedies, principally dry preparations, with a fourfold expansion.

(Continued on p. 31)

Latin America's Potentialities for Visual Education

Expanding Activities in This Field Mean Greater Markets for U. S. Films, Projection Equipment, and Other Movie Apparatus

By NATHAN D. GOLDEN, *Motion-Picture Unit, Bureau of Foreign and Domestic Commerce*

THE LATIN AMERICAN MARKET will have tremendous sales potentialities for American 16-mm motion-picture sound equipment and films of a pedagogic type in the post-war period. A retarding factor for the present is insufficient funds to properly equip the schools of Latin America with visual-education equipment.

The program of showing educational films now being carried on by the Office of the Coordinator of Inter-American Affairs in Latin American countries is doing more to develop the use of motion pictures in teaching than any other instrumentality thus far devised. This agency, with its 113 16-mm projectors

and its 69 mobile trucks and films, is bringing home to educators and other forward-looking citizens in the remotest regions of Latin America the great effectiveness of the motion picture as a teacher. It is introducing American-made equipment in markets where it has never been in evidence before.

Those who have seen these films and equipment will, almost certainly, urge their governments and school systems to provide the necessary funds to give to the children of Latin America this improved method of learning through visual instruction.

American visual-education libraries, too, will find a waiting market when such funds become available. Many Governments such as those of Brazil, Chile, Colombia, El Salvador, Peru, and Venezuela are now sponsoring the use of visual education via motion pictures. But

the factor of funds is the major determinant in the situation.

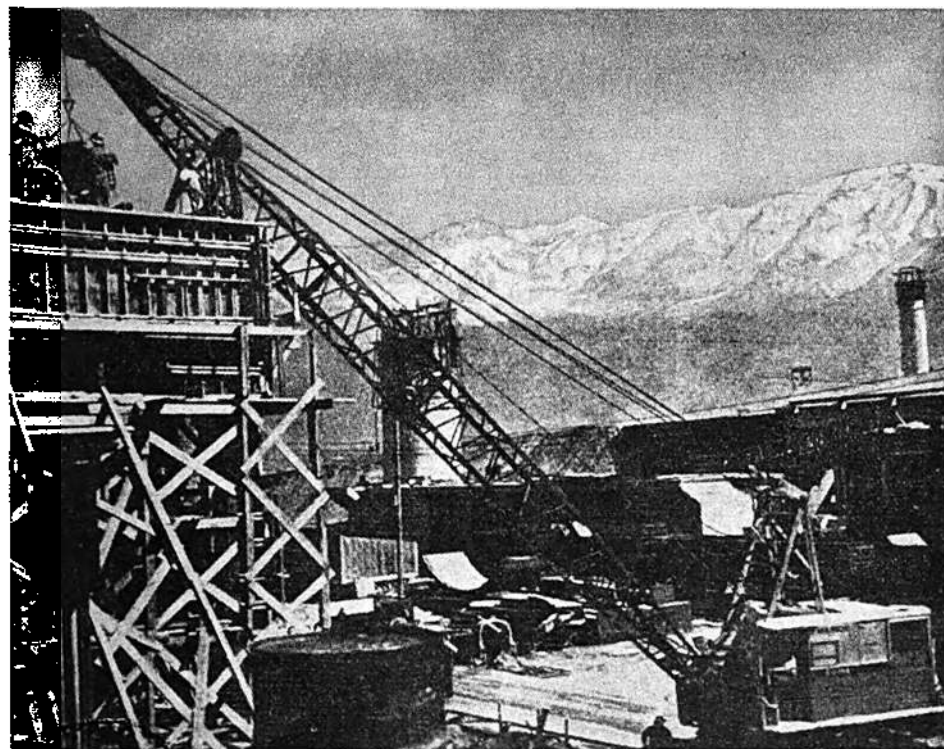
Films, it may be noted, will naturally need to be in the language of the country, to have their greatest value.

Field Virtually Untapped

When compared with the visual-education development in the United States where some 22,800 (12,000 silent) 16-mm projectors are available in the schools and colleges for teaching purposes, one learns today that a country like Chile has but 10 schools which have 16-mm sound projectors, and not more than 60 such projectors are to be found in the entire country. In Argentina there are several thousand silent 16-mm projectors, but very few are with sound. A country as large as Brazil has 1,800 silent and approximately 100 16-mm sound projectors owned by the Government for school use. In countries such as Costa Rica, Cuba, the Dominican Republic, Ecuador, Honduras, Mexico, Nicaragua, Panama, Paraguay, and Uruguay, none of the schools have any equipment for the showing of educational films.

On the other hand, the Ministry of Education in Colombia supplies equipment and films to all private and official schools, having 44 16-mm sound and silent projectors available. Among Salvadoran schools, only 7 use films, in Guatemala only 2, and a like number in Haiti have 16-mm sound projectors. In Peru the Ministry of Education maintains a film library and has encouraged visual education in its schools and colleges, but only 7 16-mm sound projectors and 400 silent projectors are available in all of Peru; how many of these are the property of the Ministry is not known.

In Uruguay, only one school, the University of Montevideo, uses motion pictures regularly for instructional purposes. The Ministry of National Education instituted a program for the showing of educational films several years ago, but by reason of the lack of funds, the program has never attained any substantial development. Twelve 16-mm sound projectors are made available to such Uruguayan schools as are interested. Educational institutions are "visual-education-minded," but here again the insufficiency of funds retards this development.



Latin American students (particularly in technical schools) show keen interest in such movies as the one from which the above "still" is taken—a U. S. industrial picture portraying activities involved in the making of steel.

The following résumé, by countries, gives a thumbnail sketch of the dearth of equipment available in the schools of Latin America and should afford American equipment manufacturers and pedagogic-film producers a basis for the development of markets after the war, in this virtually untapped region.

Progress Slow in Argentina

There were no notable developments in Argentina in the production of educational or commercial films during 1942. In fact, no great interest seems to be manifested in the development of this type of production (for one reason, perhaps, because profitable distribution is out of the question), but American film distributors in Argentina have expressed a desire to handle more American educational "shorts."

As regards visual education, very little if any progress was made during 1942, chiefly, it is supposed, because of lack of funds on the part of the Federal and Provincial governments with which to finance the official and unofficial projects in this field. The fact is unquestioned that visual education has potentialities in relation to the vast improvement registered in Argentine educational facilities in general, but this new step is probably for post-war consideration.

There are no available statistics as to the availability of films for teaching purposes, nor as to the number of educational institutions maintaining film libraries; but it is estimated in trade circles that there are in Argentina several thousand silent film projectors and several sound film projectors for 16-mm films. Some advance has been registered in the use of 35-mm projectors in conference rooms of the newer governmental and private buildings, and of the 16-mm projectors by some of the more energetic commercial firms, but it can hardly be said that Argentina is a ready market for any immediate development in this respect.

A complete system for distributing 16-mm films has been set up by the United States Coordination Committee for Argentina and it is being gradually put into effect for distribution of American "shorts" which are being shipped by governmental agencies from the United States. The very short commercial films, which are used for advertising purposes in regular shows, and which are exhibited in most of the cinemas in the key cities and many of the cinemas in the remainder of the country, showed considerable development during 1942 as regards quality—this being attributed to the ingenuity of European refugees, who seem to have applied studiously the more modern ideas gained from experience in the film-production industries of central Europe.

The "Archivo Gráfico" of the Argentine Government has set up a film library to which all Argentine producers have been asked to send one copy each of their films. "Archivo Gráfico" has also accepted films from American company representatives and appears to be interested in cooperating in the distribution of 16-mm films.

Bolivia, Brazil

The American Institute (in La Paz and in Cochabamba) has equipment for showing educational films, and this institution possesses both 16- and 35-millimeter silent projectors. It is not believed that Bolivia affords a market for such films, however, since the Institute has no funds for this purpose and has so far used only those educational films which it has been able to obtain from the United States Government for free exhibitions.

Approximately 1,900 projectors of the 16-mm size are in operation in Brazilian schools and public buildings, of which not more than 100 are equipped with sound devices. Most of these projectors are owned and operated by the Government in public schools.

Though statistics are not available, it is believed that their distribution by districts follows more or less proportionately the situation as regards motion-picture theater equipment, the larger number being operated in the central and southern districts of the country.

Various kinds and sizes of projection apparatus are used in British Guiana's theaters. The first-class houses use American equipment. Government institutions are using American portables. Schools and public buildings are not equipped with projection apparatus.

The Georgetown consular district has recently been supplied with a portable American 16-mm sound projector, with which it contemplates showing nontheatrical films to schools, the Y. M. C. A., 4-H Clubs, and similar organizations, in Georgetown and vicinity.

Activity in Chile

Chile's Institute of Educational Cinematography maintains a film library of some 172 silent films and 68 sound films, most of which are of the 16-mm size, plus 17 educational features of normal-theater size. These films are exhibited throughout the country in schools, clubs, and other institutions. The Institute has been in existence over 10 years, and most of its films are quite old, about 80 percent having been bought from the United States and 10 percent from England, while 10 percent are of local manufacture. The Chile-United States Cultural Institute has sponsored since February 1942 showings of educational films (which now include 53 short subjects) supplied by the Coordinator of Inter-American Affairs and by the Department of State. More than 300 exhibitions of these films, thus far, have been given in Santiago, Valparaiso, and the surrounding district to specially selected audiences totaling over 100,000 persons.

Several Government agencies—as for example the Dirección General de Sanidad and the Caja de Seguro Obrero—own projectors, and a few use sound trucks to take educational films into outlying districts which are not otherwise reached by any motion pictures. The rather small amount of materials so far available has prevented any rapid expansion in this program. Some commercial firms

have used films for advertising, but on a very small scale.

Educational institutions have not made, as yet, any great use of films as a part of their teaching program. A lack of instruction in the use of such material, combined with the small number of films available, limits the possibility of this medium's being employed to the same extent as in the United States. There are not more than 8 or 10 schools in Chile with sound projectors, though some have silent machines. None of these machines are used to any great extent, by reason of the lack of material and the cost of renting films. There are no schools and colleges maintaining film libraries, the only libraries being those of the Institute of Educational Cinematography, the Chilean-United States Cultural Institute, the library belonging to a commercial firm, and miscellaneous smaller collections.

Most of the 35-mm projectors in use in Chile belong to commercial theaters. Of the estimated total of 380 35-mm projectors in the country probably not more than 10 projectors are to be found in schools or other educational institutions. As far as 16-mm projectors are concerned, it is estimated that, including those that are privately owned, there are some 60 sound machines in Chile and about 350 silent projectors. No exact figures are available as to the number of 8-mm projectors in use, but it is estimated that there may be perhaps 600 in Chile.

The number of schools in Chile maintaining slide-film libraries is not definitely known, but it is not believed to exceed 15 or 20. Apart from the film library maintained by the Institute of Educational Cinematography, the only Government organization known to maintain a library is the Dirección General de Sanidad, which has a small library of health films.

So far as prospects of selling films and equipment to Chilean educational institutions are concerned, it is believed that in the post-war period there may be a fair market for educational films and projectors.

Brisk Campaign in Colombia

Colombia's campaign for education by means of the exhibition of motion-picture films started with the inauguration of the "Cultural Theater" in 1934, but only since 1939 has this campaign really involved any practical activity. The free exhibition of motion-picture film in the Cultural Theater at the National Park "Claya Herrera" was complemented in 1940 by the "Ambulant Schools" for the exhibition of cultural motion pictures in the different districts of the city of Bogotá and through the different municipalities within the country.

These "Ambulant Schools" operated under the direction of the Ministry of National Education until February 1942, when they were transferred and placed under the control of the "Directors of Departmental Education" and handed over to the Departments of Atlántico, Bolívar, Caldas, Cauca, Magdalena, San-

tander, Tolima, Valle, and the municipality of Bogota.

The acquisition and purchase of the equipment and trucks for the "Ambulant Schools" were effected through the economic cooperation of various public and private institutions, which contributed to the financing of this undertaking in the amount of 51,500 pesos. With this money it was possible to equip nine "Ambulant Schools" giving a service of motion pictures, records, and library. During the first trip undertaken by six of these schools, covering a period of 80 days, they were able to visit 229 municipalities, giving exhibitions to 413,891 spectators. During the second, they visited 195 municipalities, presenting 1,778 exhibitions to 480,596 spectators.

The educational institutions are especially interested in the development of these educational campaigns, and, as a result of the cooperation given by the Colombian Ministry of Education, which is supplying equipment and motion pictures, there has been a great increase in the exhibition of educational and cultural motion pictures in all private and official schools and in all those other institutions that look toward a better education for the people. From 20 to 30 private institutions and schools, besides all the public schools and educational departments, are making use of motion-picture material, supplied by the Ministry of National Education. Practically no school or college owns any educational film equipment, and the great majority of such institutions use the motion-picture films supplied free of charge by the Ministry of Education. There are twenty-four 35-mm projectors in use in educational institutions in Colombia, and forty-four 16-mm sound and silent projects are available.

Slide Films, Film Libraries

Some private and official colleges in Colombia, in addition to other institutions, such as the Liceo Nacional Femenino (Bogota), the Biblioteca Nacional (Bogota), and the Instituto de la Salle (Bogota), are using slide films as a complement to some of their school classes such as those in botany, zoology, art history, geography, and "universal history." (With the exception of the equipment used and owned by the Instituto de la Salle, the equipment is owned by the Ministry of National Education.) There are no schools maintaining slide-film libraries, and only a few of the schools possess slides in small quantities.

The Colombian Ministry of National Education has a stock of about 450 films, of which there are 343 in the "Cultural Theater" warehouse and the rest are at the schools and other institutions. Of this stock, there are only about 250 films (35- and 16-mm) that can now be effectively used—the rest are worn and are virtually useless. These films are distributed for exhibition purposes among the schools, upon request made to the Ministry of Education. The exhibitions are free, and the Ministry supplies the projecting equipment and the operator if necessary.



Courtesy Grace Line

Signs point to increasing future use of motion pictures as an instrumentality of instruction in many of Latin America's educational institutions, of which the example shown here is the Catholic University at Santiago, Chile.

The Ministry of National Education, in recent years, did everything possible to be able to produce educational films—installing laboratory equipment and taking other appropriate measures. During the years 1939, 1940, and 1941 the Ministry worked on the production of films.

Costa Rica

No educational films proper, except the ones exhibited at the Raventos theater for school children, have been shown in schools in Costa Rica. No 16-mm equipment is available at schools, except an old silent projector at the Escuela Normal de Heredia which is never used, and no plans are contemplated (so far as is known) for adopting this medium of education.

There is no market for the sale of educational motion-picture films and equipment.

Interest Evidenced in Cuba

One firm in Habana, Cuba, has made a considerable investment in a laboratory and projectors to exhibit 16-mm educational and commercial films. This is the Películas Educativas, S. A. The firm maintains six sound projectors and three silent ones, and has received a few of the films produced by agencies of the United States Government.

The Institución Hispano-Cubano de Cultura is taking a leading part in collaborating with the Películas Educativas, and the Compañía Industrial Cinematográfica de la Habana, S. A., of Trocadero

9, Habana, is making films for distribution in Cuba, most of them circulated with the aid of the Películas Educativas.

Zenith Films, S. A., 215 Consulado, Habana, is another firm that has devoted much effort to circulate 16-mm educational films. This concern obtained several films from England, but the last shipment was lost at sea.

Both of these concerns have expressed great interest in the 16-mm films produced by agencies of the United States Government, particularly in the four sound films in the Spanish language produced by the Department of Agriculture.

The 35-mm British propaganda films are distributed for the most part through one of the major American distributors in Habana, and are showing in practically all of the theaters that exhibit daily. The American films are distributed through a Coordination Committee, and are shown mostly in the various clubs, social organizations, and in projection rooms of private individuals. Their circulation is far below that of the British Government films.

Hampering Conditions

Cuba's educational institutions are hampered in the use of educational films by lack of funds. Also, the difficulty in obtaining Spanish-version pictures, or Spanish subtitles in the American 16-mm sound films have worked against a wide circulation. Price, too, is a drawback. Local agencies distributing films of this class protest that a price of \$50 per reel, with a \$30 royalty, is too high.

A few religious pictures were shown recently by Catholic schools and colleges; but, aside from these, very few educational films were shown in schools. No Cuban schools or colleges now maintain film libraries, though many of them *want* films. They buy occasionally from big American distributors.

Aside from the machines privately owned whose operation does not involve the purchase or rent of films from distributors, there are believed to be in operation in Cuba between 300 and 400 projectors for silent 16-mm film. Of projectors for sound film, there are not more than about 30. This is naturally due to the absence of dubbed film of this size, or films with Spanish subtitles. However, there are two concerns now equipped to dub films of this size, or to supply Spanish subtitles. They are the Películas Educativas, S. A., already mentioned and the Laboratorio Chic, also of Habana.

Slide films are used very little. A few private schools have made inquiries recently concerning slide films on natural history. Language constitutes a problem. None of the schools maintains its own slide-film library. Ten schools in Habana now take film or slide-film service, and it was expected that with the beginning of the school year last September there would be nearly a hundred.

No film libraries are maintained by the Government Educational Office. However, through the cooperation of the distributors of educational films mentioned above, a conference of school inspectors from each Cuban Province was held in Habana, and films were shown in an effort to secure a Government subsidy to make films available for use in schools. A project to get projectors in a number of schools by charging 5 cents per pupil failed in 1941.

Dominican Republic

As yet no motion-picture films are used in education in the Dominican Republic. Interest is being displayed in visual education, but no film libraries are maintained by educational institutions. No 16-mm projectors are in public use in the Republic with the exception of a silent one owned by the Compañía Eléctrica and one sound projector at present in possession of the American Legation. There are a few 8-mm and 16-mm projectors in private use, but no definite estimate can be made of the number.

Slide films made by local photographers are used for advertising in theaters, in company with the short subjects preceding the main feature. No schools have slide-film libraries.

The Dominican Government does not produce educational films, nor are any commercial or educational films produced domestically. Commercial films are not used to any extent.

Prospects for selling films or equipment to schools are not encouraging at present, but, as conversations with educational leaders continue, it may be possible that the Government will begin to seek out film and equipment suppliers in order to begin development of this field.

Value Realized in Ecuador

The Ministry of Education of Ecuador has been entirely too restricted financially to be able to include the purchase of motion-picture equipment and the showing of educational motion pictures in its program. Considerable interest has been shown, however, by both public and private schools in educational films lent or exhibited through the courtesy of other groups, especially, recently through the courtesy of the cultural officer of the American Embassy and the local Coordination Committee.

Ecuadoran educators are quite aware of the value of exhibiting and using motion-picture films for pedagogical purposes, and they unanimously regret the financial stringency that makes impossible a greater employment of this educational medium. The Jesuit and Christian Brethren schools have silent equipment for showing films, and they occasionally exhibit pictures of religious significance. The Military College has excellent 35-mm sound projection equipment of American manufacture.

The Military College is said to have a small film library, a present from the German Legation, and has occasionally rented other films for showing to its students. A few schools are reported to have 16-mm projectors, but it has not been possible to secure any description or list of these.

Slide films are not used to any appreciable extent by schools in Ecuador, and slide-film libraries are negligible. No Government educational office maintains a film library.

The Government produces no educational films, although a propaganda film for use by the Tourist Bureau was ordered produced by the Government some years ago. No educational or commercial films are produced domestically. A few commercial films have been used for advertising purposes in theaters, chiefly in Guayaquil and in neighborhood houses. The prospect for selling films or equipment to educational institutions is very poor, owing to the difficult financial situation of the Ministry of Education.

Salvador's Film Department

The Ministry of Public Education of the Republic of El Salvador has an educational-film department which has charge of showings of pictures in all public schools of the Republic.

Seven schools use films for teaching purposes, and four schools maintain film libraries. No 35-mm projectors are in use, but eight silent and one sound 16-mm projectors are employed. Slide films are used by schools to a slight extent, but very few schools maintain slide-film libraries. Film libraries are maintained by the Government Educational Office, which produces some educational films but not on a large scale.

There is at present very little market in El Salvador for the sale of equipment for the showing of educational films, and the market for the films themselves

is small as yet. This market will probably increase slowly during the next few years.

Guatemala's Restricted Market

Although the Guatemalan Government has issued regulations lowering the duties on educational films, little has been done along the line of visual instruction in schools and colleges through the use of educational motion pictures. Lack of funds for public schools will undoubtedly prevent any such steps being taken in the immediate future, and private schools are not in a position to install such equipment. There seems to be, therefore, very little opportunity for developing this branch of motion-picture distribution in Guatemala. Only two schools are known to have motion-picture projectors, and their equipment is the standard 35-mm silent equipment. The schools are the Central High School for girls and the Cathedral School of the Archbishopric of Guatemala, and in those institutions, so far as can be ascertained, films are shown principally for entertainment.

The theaters use the standard 35-mm equipment, and 34 of them have sound equipment. The local office of the Coordinator of Inter-American Affairs has 2 portable 16-mm projectors with sound equipment and makes regular showings of educational films at various schools. These showings have been very well received and have elicited favorable comments from the authorities, the press, and the audiences.

Guatemala City dealers in photographic supplies and equipment say that about 70 16-mm silent projectors have been sold there in the past 10 years; and many of these are old models and are not now in use. All purchases have been made by individuals, and, in view of the small number of persons who can afford this luxury, the market for this line is exceedingly restricted. The market for 8-mm silent equipment appears to be better, since there are more people who can afford the lower price of the films and equipment.

Haiti, Honduras

Educational institutions in Haiti are but slightly interested in the use of films for teaching purposes. The Medical School in Port-au-Prince and the Agricultural School at Damien are the only educational institutions using films at present. They have 16-mm sound and silent projectors, but relatively scant budgetary allowance prevents purchase of films for the establishment of a library. United States Government films are borrowed from time to time and are very well received.

The only commercial films known to be shown in Honduras are those exhibited by Sterling Products, International. This firm uses mobile equipment which travels constantly throughout the Republic, giving exhibitions in many places where there are no regular movies.

There have been no developments within the country along the lines of

(Continued on p. 33)

MICA—

Keeps U. S. War Machine Rolling

*By the Office of the Coordinator of
Inter-American Affairs*

MICA, A MINERAL with which the average layman is not especially familiar, is the vital cog which keeps the gigantic war machine of the United States rolling.

Recent announcement that a substitute for mica has been found has not diminished the need for the natural mineral, and the United States is contemplating no reduction in its buying of mica from both domestic and foreign sources.

Essential to Many Products

Without mica there would be no generators, magnetos, condensers, and spark plugs for the engines which propel the little jeeps as well as the mighty Flying Fortresses. Without the mineral there would be no electrical installations on tiny torpedo boats or 30,000-ton dreadnaughts to steer them, operate the guns, and furnish light and power for a hundred operations.

Radios from the portable walkie-talkie sets to radar, the magic eye which searches above the clouds and beyond the horizon for a lurking enemy, would be useless without mica. Fully 90 percent of all mica mined is used by the electrical industry because of its insulating and dielectric properties.

It is unaffected by extremes of high and low temperature, by fire, water, or acid. Its heat conductivity is the lowest of all minerals, and it is highly flexible, transparent, and possesses great cleavage toughness.

Qualities Really Unique

This combination of characteristics is found in no other substance. Military requirements, especially for high-quality mica, have not been affected by any substitutes. Although each of several new promising materials being developed possesses some of the characteristics of the mineral, none has the peculiar combination of all the properties which makes mica so valuable.

Development of these new materials has not proceeded past the laboratory stage. While substitutes may eventually fill from 10 to 15 percent of the needs, the remaining requirements will continue to absorb all expected production of the higher-quality mica.

United States Government agencies say no mica miner should feel that his

output is no longer vitally needed. These agencies are contemplating no reduction in their buying program either at home or in certain other countries where high-quality mica is being obtained.

Amazing Increase in Use

Brazil is among the countries in which this buying program is in operation. In recent years mica of good quality has been coming from Brazil in increasing amounts, and to that country the United States is looking for even larger amounts of the mineral to supply the staggering increase in radio, electrical, and mobile equipment which the war demands.

So important is the mineral that it has been granted a priority, on airplanes, next to critically needed personnel. The Axis realized the importance of mica to the extent that, from December 1940 to June 1941, mica comprised 90 percent of the cargo carried by "Lati," the Italian airline which formerly operated between South America and Europe. The second-most-important cargo was precious gems, used for grinding and other industrial purposes, but these stones made up only 7 percent of the plane shipments.

Reliance on Imports

The best brains of science long have sought an adequate substitute for mica. When the mineral is used solely for its physical properties there is some hope of switching to another substance. But for its electrical uses, the most important both in war and peace, there is no substitute. To keep engines running, electrical installations working, and radios functioning, mica from the natural state must be used. For its supply of splittings and most of its condenser and spark-plug mica, the United States depends on imports alone.

Spurred by war needs, experts have examined 150 mines in the United States but found only limited quantities of the high type needed.

Situation Paradoxical

The distribution of mica throughout the world is a paradox. It is at the same time the most plentiful of minerals and yet the most scarce. Geologists estimate that mica constitutes 4 percent of all the indigenous rocks of the world. Such a percentage would place its tonnage at astronomical figures, but nature, lavish in distributing the mineral, has been niggardly in creating deposits which are

recoverable on a commercial basis. Should a substantial amount of this vast tonnage be recovered by some means as yet not devised, all but a fractional part of it would be suitable for nothing but ground mica of which there already is a plentiful supply. Rare indeed is a deposit with crystals of a size suitable for production of the commercial-sized sheets so vitally needed by industry. The location of such deposits is one of nature's most closely guarded secrets.

Many deposits are small in size and soon worked out. The mineral is found in a pegmatite dike usually less than 200 feet in length, very narrow but of variable depth. Drilling which reveals the size of other mineral deposits is not practical for mica because of its uncertain location in the dike. A diamond drill may miss the deposit entirely. Because of these difficulties, mineralogists have never been able to determine with any degree of accuracy the reserves of mica available as has been done with other minerals and oils.

Usable Mica

A good mine seldom contains more than 10 percent mica. Seven percent is suitable only for scrap. Another 2 percent is punch mica, and less than 1 percent is of commercial sheet size. And wastage and spoilage in splitting it and producing block mica reduces the total to a quantity that is "heart breaking" in its smallness.

Chemically, the micas are highly complex silicates of aluminum and one or more bases. This second basic element really determines the characteristics of the usable mica. What the electrical industry needs is potash mica, muscovite or white mica. It is this type which the United States wants in ever-increasing amounts from Brazil. The second principal type is magnesium mica, phlogopite, or amber mica.

"Rags to Riches" Progress

Mica is a real "rags to riches" mineral. In 1803, the United States sank the first mica mine in the State of New Hampshire. The physical uses were for stove windows, lantern chimneys, and other work requiring a substance that was heat resistant and transparent. The new mineral, because it looked much like isinglass, was erroneously given that name by laymen, and the misnomer persists to the present day. Real isinglass is prepared from the air bladders of fish,

(Continued on p. 36)

News by COUNTRIES

Argentina

Transport and Communication

National-Highway System Augmented.—Argentina held a series of special celebrations in various Provinces and Territories on October 5, 1943, which was designated as National-Highway Day. On that date, the Administración General de Vialidad (National-Highway Board) officially inaugurated and incorporated into the national-highway system roads which were completed during the year. A total of 15,649,810 Argentine pesos (approximately \$4,195,450) were expended for road construction during the past year.

Bermuda

Transport and Communication

Airport Board Created.—The Colonial Parliament of Bermuda has passed an act creating an airport board to have control and general management of land, buildings, plant, and equipment of the airport. The board can make plans, let contracts, allocate space, and lease buildings and space, as well as regulate aircraft traffic to and from the airport.

Brazil

Tariffs and Trade Controls

Citrus Fruits; Executive Fruit Commission Authorized to Purchase and Dispose of Export Surplus.—The Brazilian Executive Fruit Commission, established by decree law No. 5032 of December 4, 1942, has been authorized to purchase and dispose of the export surplus of citrus fruits by a resolution of the Federal Foreign Trade Council approved by the President on March 22, 1943, and published in the *Diario Oficial* of March 23, 1943, Rio de Janeiro. The Executive Fruit Commission will purchase the export surplus of citrus fruits at prices which allow the producers to retain their interests in their fruit farms.

The Commission will dispose of the fruit thus acquired, at reasonable prices, as follows:

- (1) To increase consumption in zones and markets of Brazil not normally reached by the regular trade in this product.
- (2) For the consumption of the Brazilian armed forces.
- (3) For supplying the large consuming markets of the country, provided this does not result in lowering prices.
- (4) For the industry of byproducts.

When foreign trade in citrus fruits is reestablished the Commission is authorized to create and collect a tax not higher than 1 cruzeiro per box of oranges ex-

ported, the proceeds of which will go exclusively to cover any loss resulting from the above-mentioned operations. The Commission is also authorized to negotiate a loan from the Bank of Brazil, subject to approval by the Commission for Financing Production, in order to finance the present citrus-fruit defense program. The proceeds of the export tax collected when foreign markets are reestablished will be pledged as guaranty for this loan.

[See FOREIGN COMMERCE WEEKLY of October 2, 1943, for notice of establishment of Executive Fruit Commission.]

Consumption Tax Greatly Increased on Brandy, Also on Shoes.—The Brazilian consumption tax has been greatly increased on domestic brandy and on higher priced domestic shoes and imported shoes, by a decree law No. 5317 of March 11, 1943, promulgated in the *Diario Oficial* of March 13, 1943, and effective from April 13, 1943.

The consumption tax on brandy of Brazilian production has been increased for 0.03 to 0.16 cruzeiro per half bottle; from 0.045 to 0.24 cruzeiro per half liter; from 0.06 to 0.32 cruzeiro per bottle; and from 0.09 to 0.48 cruzeiro per liter. This modification replaces the reduced rates established by decree law No. 4878 of October 27, 1942, and results in rates 60

percent higher than the rates in effect prior to decree law No. 4878.

The consumption tax on domestically produced shoes is on a sliding scale, increasing with the price. Formerly, the highest tax applied to shoes selling for more than 100 cruzeiros per pair, and to shoes not marked by the manufacturer to show the selling price in accordance with requirements, all of which were taxed at 6 cruzeiros per pair. Under the new decree law domestic shoes selling for more than 100 up to 150 cruzeiros are taxed at 6 cruzeiros per pair; domestic shoes selling for more than 150 up to 200 cruzeiros per pair are taxed at 8 cruzeiros per pair; and those selling for more than 200 cruzeiros per pair, or those which are not marked as required, regardless of the selling price, are taxed 15 cruzeiros per pair.

All imported shoes, formerly taxed at 6 cruzeiros per pair are now taxed 15 cruzeiros per pair, regardless of the selling price.

[See FOREIGN COMMERCE WEEKLY of September 25, 1943, for notice of previous reduction of consumption tax on brandy by decree law No. 4878.]

British West Indies

Economic Conditions

SITUATION IN JAMAICA

The level of business activity in Jamaica during September was comparable to that in the preceding month, despite the fact that stocks were smaller and their replenishment difficult. Inventories declined further during the month, but the Government has recently been able to purchase a good volume of cotton textiles in Cuba and a large quantity of footwear in the United States. Importations of many staple commodities are still being undertaken by Government bulk purchases, the goods being distributed as far as possible through the usual marketing channels. The shipping situation has become easier and buying abroad is more orderly, but internal transportation has not improved. The Government-owned railway has been able to obtain additional rolling stock which, it is expected, will bring about a considerable improvement in the service.

FOREIGN TRADE

Practically all staple imports and exports are now under Government control. Exports for the first 6 months of 1943 showed a slight decline from those of the corresponding period in 1942, while imports for the same period showed an increase over those of the preceding year.

The Cover Picture



Buenos Aires Street

The splendid business street shown in our cover picture this week is the Diagonal Norte (or Sanchez Peña, as it is also called) in Buenos Aires, Argentina. This new diagonal avenue runs from the Plaza de Mayo to the Plaza Lavalle. In this view we are looking toward the Plaza de Mayo. Some of the Argentine capital's newest and architecturally most modern office buildings are on this street.

The photograph was taken by Albert K. Dawson, who has courteously made it available to FOREIGN COMMERCE WEEKLY.

AGRICULTURE

Production of sugar in 1943 showed a slight increase over that of 1942. The output of bananas continues to decline. A seasonal decline in copra production is now evident, though the year's production so far has been large. The harvesting of the annatto crop has begun and the market has strengthened.

Canada

Economic Conditions

In mid-October, Canadian interest was centered on making a success of the Fifth Victory Loan. The objective of the 3-week campaign which opened on October 18 was to raise a minimum of \$1,200,000,000, the largest goal set in any of the previous war-loan drives. During the first 10 days more than 1,000,000 subscriptions totaling more than \$703,000,000 were received. It was confidently expected that the loan would be oversubscribed.

BUSINESS LEVELING OUT

Productive activity continues at a very high level but it is becoming increasingly difficult to push production ahead at the rapid rate which characterized the earlier war period. In the war industries two trends are evident. In some of the plants, there is not enough manpower for maximum production. In others—explosives, shipbuilding, some types of guns—output is being curtailed in the revamping of the war-production program to fit changing war needs. The workers who are released will be available for essential employment elsewhere. These shifts, however, do not create additional manpower resources, and with the present tight supply it seems doubtful if over-all production can be expanded much beyond the present level.

WORKERS IN WAR AND ESSENTIAL INDUSTRIES FROZEN IN THEIR JOBS

New regulations to check labor turnover went into effect late in September. Men working in "A" and "B" labor-priority industries cannot quit their jobs or be discharged without the written permission of National Selective Service. Industries designated as A and B are those having the highest labor priority and include all war industries and such essential civilian industries as food-processing and meat-packing plants. The A and B classifications are flexible, varying according to shifts in production programs and to manpower needs in specific industries and localities. National Selective Service, in cooperation with the Department of Munitions and Supply and the Wartime Prices and Trade Board, determines the industries and even the particular plants which are entitled to high labor-priority ratings.

Effect of the new regulations is to freeze in their present jobs all male workers in high-priority industries. The new control on employment does not apply to men who wish to volunteer for the armed forces or to those who are subject to call for compulsory military service.

A campaign to secure the services of

farmers and farm workers for employment in essential industry during the slack season in agriculture has been launched by the Department of Labor in cooperation with provincial departments of agriculture and several hundred local farm-production committees. Workers in agriculture who have secured draft postponements because of their occupation will be allowed to continue on postponement if they accept approved essential employment during the slack season on the farm. Farm workers are being urged to take off-season employment in industries where manpower shortages are particularly acute—fuel wood and pulpwood cutting, timber felling, coal mining, base-metal mining, meat-packing plants, and railroad-track maintenance. The number of farmers being sought for industrial employment in the fall and winter months is estimated at more than 150,000.

EMPLOYMENT MAKES SMALL ADVANCE

After a drop in the first 4 months of 1943, the employment situation as shown by the official index seems to have recovered to about the peak level reached in December 1942. The Dominion Bureau of Statistics index for August moved up 1.2 percent from July, continuing the small month-to-month gains which have occurred since May.

COAL MINING ON THE UPGRADE

A feature of the recent employment returns is the increase in coal mining, where the number of workers taken on

was the largest since September 1941. Some months ago coal miners were frozen in their jobs, postponement from military service was granted, enlistment in the armed forces was banned except under special permit, and measures were taken to shift former coal miners back to that occupation by releasing them from the Army and by transferring them from other industries. These steps to prevent further loss of manpower and to recruit additional workers, along with capital assistance extended by the Government to increase production, appear to be bearing results. The improvement in coal production has been modest, but output has been increasing since May.

There is still considerable anxiety over coal supplies because of the labor situation in the United States from which Canada imports a large part of its requirements. Steps have been taken to assure the equitable distribution of anthracite coal imported from the United States. A recent order issued by the Coal Controller requires all wholesale and retail coal dealers to arrange their distribution schedules so that by March 31, 1944, their customers will have been supplied with coal in the same proportions of available tonnage, but not in excess of 90 percent, shipped to them during the 12 months ended March 31, 1943.

STRIKE AT SHAWINIGAN

Labor troubles flared up again toward the end of October when workers at the Shawinigan Falls plants of the aluminum company went on strike. As a re-

Pertinent Comments on World Economy Today

(Being one of a series of excerpts from books, pamphlets, and speeches)

Our Stake in World Trade: "A Great New Hope of Peace"

If a substantial part of the world's millions of new workers can be kept employed producing and distributing peacetime goods, a rising standard of living in the post-war period becomes automatic.

This is an attainable end to which all nations must work.

There will be much that must be done.

Great areas must be reconstructed. Other areas must be developed, opening up resources, raising living standards, and providing new markets.

This will call for substantial capital exports by the richer countries.

Unless we are prepared to take our proper part in this program, our own domestic employment problem will become acute.

No amount of post-war planning on a national level will provide productive employment in private undertakings for our millions of new workers if the rules surrounding the international exchange of goods continue so restrictive as to deny buyers the means of payment across political frontiers.

The world has now shrunk to a point where we can no longer sit in a small corner of it hugging our insularity and our riches to ourselves, unobserved and unmolested.

We have to decide now whether we will take our proper place in the world, politically and economically. This is no preachment of imperialism. The alternative is to turn our country into an armed camp, police the seven seas, tighten our belts, and live by ration books for the next century or so.

It is a choice we simply cannot avoid—a choice made inevitable by the world revolution through which we are passing.

America's stake in world trade means much more for us than a great expansion in peacetime production and employment; it represents a great new hope of peace for America and the world.

(From the address by W. L. Clayton, Assistant Secretary of Commerce, at the National Foreign Trade Convention, New York City, Oct. 25, 1943.)

"U. S. Can Expand Post-War World Trade to Employ 10,000,000"

Increased foreign trade under the American system of private enterprise provides the best opportunity to create the 10,000,000 new jobs necessary to solve the post-war problem of employment, Juan T. Trippe, president of the Pan American World Airways System, has declared in an address.

Speaking at the World Trade Dinner of the Thirtieth National Foreign Trade Convention, at which the Capt. Robert Dollar Memorial Award for 1943 was presented to him for "distinguished contribution to the advancement of American foreign trade," Mr. Trippe declared that one of our most pressing post-war problems is the finding of at least 10,000,000 new jobs—jobs that did not exist in 1940.

Pointing out that our domestic economy after the war, as before, could not meet this challenge unaided, he cited foreign trade as the keystone of the country's future national economy. As contrasted with the United States, Trippe said, Great Britain's exports amounted to 20 percent of the national income, and three out of every five British workers directly or indirectly gain their livelihood from this source. In the United States, on the other hand, exports in 1938, the last normal year, amounted to but 5 percent of our national income, and only one person in five was employed directly or indirectly in foreign trade.

"If we here in the United States," said Mr. Trippe, "with our resources and productive capacity, increase our foreign trade so that it directly or indirectly employs two in five instead of one in five we will have created 10,000,000 new jobs."

sult, production was interfered with by the freezing of aluminum pots. Two union leaders were charged by the Government, under the Defense-of-Canada regulations, with obstructing production of a war industry and were arrested. On November 1 there had been no settlement of the walk-out.

CANADIAN FORESTRY CORPS RETURN FROM GREAT BRITAIN

Fulfillment of increasing demands for forest products has been handicapped by a shortage of manpower. To alleviate this situation, part of the Canadian Forestry Corps, which has been engaged in lumber operations in the United Kingdom, has been returned to Canada where stands and quality of timber are better than those now available in Great Britain. Farm workers who are exempted from military service and who accept employment as woodsmen during the off season in agriculture will not lose their draft deferment.

The Joint United States-Canada-United Kingdom Committee, which has been investigating the pulp and paper requirements and supply problem, has issued a report warning that supplies of newsprint will have to be sharply curtailed in 1944 unless more men are found to cut pulpwood this winter. The Committee estimated that 38,500 additional men are needed for pulpwood cutting in Canada and the United States, if the demand for newsprint and other paper is to be met. Should the required manpower not be found, newsprint supplies next year may be cut from 20 to 52 percent. To alleviate this situation, men employed in pulpwood-cutting operations have been placed in labor-priority classification B and as a result are now frozen in their jobs.

RETAIL SALES FALL BELOW LAST YEAR

In every month since the outbreak of war, retail sales have shown an increase

over the preceding year. The single exception is the comparison between September 1939 and 1940. Sales in September 1940 did not measure up to those in the first month of the war when consumers went on a sudden buying spree. Ever since the first quarter of 1942, however, the rate of gain has been slowly narrowing and in August 1943 the dollar volume of retail sales fell below last year. Department-store sales, reflecting the turn-over in urban areas, began to drop in May, and the decline has continued in the succeeding months. Sales in rural communities are still above last year, but the volume has not been great enough to offset the decline in department-store sales.

There are several reasons for the overall drop in retail sales. Foremost is the fact that with the curtailment of production of consumer goods, shortages have developed in an increasing number of lines, and inventories in the hands of manufacturers and wholesalers no longer provide the cushion they once did. Choice is restricted and quality has suffered through the use of substitutes, making consumers content to continue using the things they have if that is at all possible. Moreover, not all incomes have increased during the war period. Salaried people, and those with fixed incomes in particular, are feeling the pinch of the heavy rates of taxation and the burden of paying off this year the half of the 1942 income tax which they owe as a result of the pay-as-you-earn tax plan. Widely distributed individual subscriptions to war loans are likewise taking a slice of spendable income.

FOREIGN TRADE AS A MEASURE OF BUSINESS ACTIVITY

The large volume of exports is evidence of the impressive amount of war supplies and essential materials produced in the Dominion. Canada's exports in September (exclusive of gold)

were valued at \$245,000,000, compared with \$293,000,000 in August and \$206,000,000 in September 1942. Most of the shipments again were consigned to the United Kingdom and the United States, 31 percent of the month's total going to the United Kingdom and 38 percent to the United States. In the 9-month period exports reached the record-breaking figure of \$2,119,000,000, an increase of \$441,000,000 over last year.

Canada's imports have not shown the same spectacular rise as exports. For the 9 months imports amounted to \$1,277,000,000, an increase of only \$37,000,000 over 1942. The biggest supplier was the United States which accounted for 82 percent of the imports. Britain furnished 6 percent, other Empire areas 8 percent and all other countries 4 percent. In comparison with last year imports from Britain and the Empire have fallen off by \$45,000,000. Imports from the United States, on the other hand, have increased by \$73,000,000 and those from other countries by \$9,000,000.

THE NEW WHEAT-PRICE POLICY

The increase in the guaranteed wheat price from 90 cents to \$1.25 a bushel, which took place simultaneously with the closing of the Winnipeg Grain Exchange on September 27, has been attacked in some quarters as inflationary because it appeared to increase the income of western grain producers. Its actual effect is anti-inflationary insofar as the stabilization at \$1.25 prevents further price increases which would have been reflected in still greater additions to western farm income. Since prices to domestic consumers are unchanged, except in the case of users of feed wheat for which the subsidy has not yet been increased, the new wheat policy has had little effect upon the general price-stabilization program except to increase the cost to the Treasury of maintaining it.

EFFECT OF INCREASED GRAIN PRICES ON LIVESTOCK PRODUCTION

So far as Canada's food-production program is concerned, the greatest danger of increased grain prices is to livestock production. Unless prices for hogs, cattle, and dairy and poultry products are increased proportionately, much of the farmer's advantage of converting grains into these products will be lost and he will prefer to market his grain rather than feed it. This is particularly true in western Canada. Hog production is in the most vulnerable position because of the ease with which hogs may be liquidated and the relatively close balance that has existed between hog prices and feed-grain prices.

EQUALIZATION FEES ADDED TO FARM PRICE OF OATS AND BARLEY

A greater threat to the price structure has occurred, however, in the case of oats and barley, for which ceiling prices had been established. Late in September it was announced that 10 cents per bushel for oats and 15 cents for barley would be added to the initial payment to producers as an advance on the anticipated profits resulting from the equalization-fee sys-

tem applicable to exports of oats and barley. Since both grains are quoted at their ceiling prices, the advance will bring the actual return to producers 10 and 15 cents, respectively, above the established ceiling prices. Domestic users of oats and barley may still buy these grains at the ceiling prices, through a subsidy arrangement, but grain producers will take into consideration the increased prices when deciding to market the grain or feed it to livestock. Up until now the equalization funds had been allowed to accumulate. Producers knew they eventually would participate in the higher prices for the share of their grain which was exported, but the anticipation of an additional payment a year or two hence was much less tangible than the increased initial payment now in effect.

BACON QUOTA TO BRITAIN PARED

Under a new agreement, Canada's bacon quota to Britain was cut a third, and restrictions which limited hog slaughtering for domestic use to 75 percent of 1941 were lifted. The new policy involves a 2-year British quota of a minimum of 450,000,000 pounds a year, instead of the present 1-year 675,000,000-pound quota. A slightly higher price is also provided for. It is reported that farmers are generally in favor of this new program hailing it as a realistic recognition of the critical farm-labor situation and the growing possibility of a shortage in feed supplies.

Subsidies to cover part of the cost of shipments of dressed beef from producing areas in western Canada to areas of heavy consumption in eastern Canada were suspended on October 31. The subsidy, paid through the Prices Stabilization Corporation, represented the difference between maximum wholesale beef prices in the zone of origin and those in the zone of destination.

Cattle and hogs are coming into the packing houses in increasing numbers and record runs of both are expected in the next 2 or 3 months. It is not yet clear whether the packers will have the necessary facilities and manpower to process all the livestock that will be forthcoming. In an effort to provide labor for the packing industry during the coming peak period, National Selective Service has instructed local draft boards to exempt all essential employees in the meat-processing industry from military service. Farmers who accept temporary employment in packing houses have been assured that they will not forfeit their exemption from military service.

Favorable weather in the Prairies has enabled farmers to progress very rapidly with harvesting and threshing operations. It will be recalled that last year a considerable part of the western record-breaking crop had to be left in the fields unthreshed until spring. While western grains are being moved to the eastern provinces about as rapidly as transportation facilities permit, there is still fear of a feed shortage in the east due to the poor local grain crop. Heavy sow marketings, offerings of young pigs at fire-sale prices, and the reduced movement of feeder cattle from the western

plains to the east, are evidences that a liquidation in eastern livestock production is under way.

FLOOR PRICES FOR AGRICULTURAL PRODUCTS TO BE MAINTAINED IN POST-WAR PERIOD

Another event of much importance was the announcement by the Minister of Agriculture on October 15 that the Government was assuming responsibility for maintaining a floor on farm prices during the post-war transition period. He further indicated that the Government was endeavoring to make 2-year agreements with Britain for the sale of farm products to protect producers from a sudden slump in prices. (Report from Vice Consul Katherine E. O'Conner, Ottawa.)

Wartime Commodity Controls

Authority of Rubber Controller Extended to Cover Synthetic Rubber.—By an order of the Canadian Rubber Controller published in a customs memorandum, dated October 8, 1943, the definition of "rubber" has been changed to read as follows:

"Rubber means crude natural rubber in all its forms, and without restricting the generality of the foregoing, includes liquid latex of natural rubber not compounded beyond the addition of preservative, unmanufactured balata, unmanufactured gutta percha, unmanufactured guayule and synthetic rubbers known as GR-S [Buna S], GR-I [Butyl] and GR-M [Neoprene]."

Tariffs and Trade Controls

Dried Whey for Animal and Poultry Feeds Exempted from Duty and Taxes.—Dried whey when imported into Canada from any source for use as animal or poultry feeds or when imported for use in the manufacture of animal or poultry

feeds is to be accorded duty-free entry under terms of an order in council effective October 1, 1943, which established a new tariff item (43b), according to Customs Memorandum Series D, No. 47 (T. C. 138), issued by the Department of National Revenue, Ottawa, on October 20.

Imports of whey for the above uses also are exempt from the war exchange tax of 10 percent ad valorem.

The provision for the duty-free and tax-free entry of dried whey for animal or poultry feeds is the result of arrangements made by United States authorities to import liquid whey from certain areas in Canada for the purpose of extracting lactose therefrom to be used for growing mold for the production of penicillin, provided that the residue from the liquid whey will be returned to Canada in the form of dried whey suitable for feeding purposes. Permission for the export of the liquid whey will be granted on compliance with the above-mentioned conditions.

Normally such imports from the United States and other non-Empire sources are dutiable at 5 cents per pound. Similar imports from the Empire are dutiable at 2½ cents per pound except imports from Australia and New Zealand which have a trade-agreement rate of 1 cent a pound.

For the temporary period April 1 to July 31, 1942, imports of dried whey, dried skim milk, and dried buttermilk for similar uses were admitted duty free and tax free under a tariff item bearing the same number.

[For previous announcements see FOREIGN COMMERCE WEEKLY of May 9, 1942.]

Glass Balls or Marbles: Imports Duty Free.—Glass balls or marbles when imported into Canada by manufacturers of glass fiber or glass yarn for use exclusively in the manufacture of such fibers or yarn in their own factories are to be



accorded duty-free entry from any source, according to an order in council effective October 1, 1943, which established a new tariff item (326)), and published in the Canadian Gazette of October 30.

Although glass balls or marbles suitable for such use are not made in Canada, imports from the United States have been dutiable at the United States trade-agreement rate of 17½ percent ad valorem and from the United Kingdom at 10 percent ad valorem.

Transport and Communication

New Railroad to Operate Into Timber Stands.—A railroad, 25 miles in length, to operate into the huge timber stands in the Nanaimo Lakes region, Canada, was opened officially on September 22, 1943. The road was built jointly by two logging companies, according to a Canadian lumber publication.

Ladysmith, British Columbia, will be the distributing point for logs rafted to Shemains and to the Fraser River. One firm, alone, anticipates daily output of 1,000,000 feet of lumber in 1944.

Ceylon

Economic Conditions

The second quarter of 1943 proved to be a period of prosperity for Ceylon. There was an excess of Government revenue over expenditure for each month of

Invest in a FREE FUTURE Buy War Bonds

this period which lead to predictions that there would be a surplus rather than a deficit (as previously anticipated) in the accounts for the fiscal year ended September 30, 1943.

The value of both imports and exports was considerably higher during the first 6 months of 1943 than for the corresponding period of 1942; imports were increased largely by greater receipts of foodstuffs from British India and Australia and exports by larger shipments to the United Kingdom and Australia. The balance of trade continued to be positive.

Because of the shortage of rice, the principal food, and difficulties incurred in distribution and rationing, it was announced in June that the Government would utilize 200 cooperative stores in the Colombo municipal area as a means of providing an equitable distribution of that commodity. Every ration-book holder in Colombo is assigned to a particular store in the area where he resides. These stores are administered by the Registrar of Cooperative Societies, from which organization they may receive financial assistance when necessary.

With increased prosperity and the scarcity of consumer goods having become more pronounced, there was a further rise in the cost of living for the second quarter of 1943. The index reached 195, the base being 100 for August 1939. Complaints of black markets are prevalent and are said to be causing concern among the authorities.

RUBBER COMPENSATION PLAN

Rubber production declined during the second quarter of 1943 as a result of unusually heavy rains which hampered the collection of latex; nevertheless, production for the first half of 1943 was approximately equal to that for the first half of 1942. Of importance to the rubber industry in Ceylon was the announcement of the British Government that deferred compensation, starting in 2 years' time at the rate of £45 per acre, would be paid to those rubber-estate owners who agreed to intensify tapping and replant at least one-fifth of their acreage.

As the Ceylon Government some time ago prohibited the replanting of rubber at altitudes above 1,000 feet (where production is smaller than on the estates of lower altitudes), and as there is a feeling of uncertainty in Ceylon concerning the long-term outlook for rubber, it appears that many growers will not avail themselves of the offer. So far, acceptance of the proposition involves only about 7 percent of the acreage now under rubber cultivation.

Most estate owners ask for an increase in the price of rubber on the grounds of increased cost of production. As the cost of living has risen, the Controller of Labor has decreed larger cost-of-living allowances for estate laborers. It is said, however, that the higher wages in Ceylon instead of increasing production results in increased absenteeism as the laborers are able and willing to live on the income earned in about 4 days per week.

HIGHER PRICE FOR TEA

An increase of slightly more than 1 cent (U. S. currency) per pound in the price of tea became effective in April. Exports during the first half of 1943 were about 33½ percent more than during the corresponding period of 1942. According to a statement made by the Tea Commissioner in June, efforts are being made to increase production.

PLUMBAGO CONTRACT TO BE TERMINATED

The present contract for the purchase of Ceylon's plumbago will be terminated on December 31, 1943, with a view to negotiating a new contract, according to the Commissioner of Commodity Purchase of the British Ministry of Supply. Although the price of plumbago has risen higher than that of any other Ceylon product, plumbago producers are hopeful that they will receive a still higher price in 1944.

Exchange and Finance

Increase in Note Circulation.—Currency notes and subsidiary coins in circulation at the end of the second quarter of 1943 amounted to approximately

"Identification Certificates" for U. S. Citizens Passing to and From Mexico

While passports are not required of American citizens when traveling between points in the continental United States and points in Mexico, the Department of State has been urged for some time past by American citizens who reside on both sides of the border between the United States and Mexico and who cross the border daily or frequently to adopt some form of certificate of identification in order to obviate the delay and inconvenience sometimes encountered in establishing identity when crossing the border. The Department also has been urged in this regard by a number of chambers of commerce in border cities.

American consular officers and American immigration officials along the Mexican border have likewise urged the adoption of such a certificate, pointing out that it would serve the convenience both of the citizens who cross the border and the American officials with whom they come in contact when departing or entering the United States or while in Mexico.

The Department has, therefore, modified the passport control regulations issued on November 25, 1941, in such manner as to permit the issue of a certificate of identification to an American citizen for use when departing from or entering into the United States. These certificates may be issued in appropriate cases upon application to the Department of State, passport agents in the United States, immigrant officials in the United States within 175 miles of the Mexican border, the Embassy at Mexico City, and all American Consulates in Mexico.

No fee will be required for the execution of the application for such a certificate or for the issue of the certificate itself. The certificate will be valid for a period of 2 years unless restricted to a shorter period. The certificate will be revocable at any time without prior notice. When revoked it must be surrendered forthwith to the authority revoking it.

The use of the certificate of identification began at 6 o'clock in the morning of November 15. The certificate is not a passport. Its use is intended merely as a convenience when crossing the border between the United States and Mexico. It does not obviate in any manner the necessity of fulfilling the requirements of any Mexican law or regulations with respect to the residence or travel of American citizens in Mexico.

185,000,000 rupees, which represents an increase of more than 300 percent above the average for the years 1934-38. Note circulation has nearly doubled in the past year. The value of bank clearances and savings deposits also increased over the previous quarter.

China

Economic Conditions

Free China's economic situation showed little change from previous months during the month of September. Retail prices throughout the country remained relatively stable, informed observers attributing such development to the beginning of the harvest, favorable reports from the military fronts, and to the release of stocks from hoarding which had been caused by a general shortage of bank credits. Despite intensified price-control measures, however, this price stability seems likely to be short-lived because of the continued increase, at an approximate monthly rate of 7 percent, in currency circulation.

GOOD RICE YIELD EXPECTED

Preliminary estimates of rice production herald a better-than-average rice crop for 1943, sufficient at least to satisfy the country's needs until the next crop. Although heavy rains in the northwestern provinces interfered somewhat with the harvesting, they afforded some compensation by providing an abundance of moisture for the sowing of winter wheat.

Unfavorable transportation developments, on the other hand, have aggravated existing deficiencies in the system of foodstuffs distribution. Heavy rains caused widespread damage to highway facilities in eastern Kansu and southern Shensi, while many other roads in that area were in poor condition as a result of lack of funds for adequate maintenance. Railway traffic was also hampered by a grave shortage of rolling stock, and some observers report that substantial quantities of equipment are deteriorating on sidings because replacement parts are unavailable.

TRADE ACTIVE IN NORTHWEST CHINA

Trade between the Occupied and Unoccupied areas is being carried on at a brisk pace, according to an American observer recently returned from the northwestern provinces. In exchange for Ninghsia wool from Free China, piece goods, hats, boots, toiletries, and cosmetics are obtained from Japanese-occupied territory. Presumably, they reach Ninghsia by way of the strategic railroad center of Paotow, in Suiyuan Province.

To stimulate trade among the provinces of Free China, a plan was inaugurated during September whereby each of the seven northwestern provinces agreed to exchange its surplus goods for essential goods from the other provinces. An Inter-Provincial Combined Control Office was established to administer such exchange of commodities.



It Also Stands for Volume!

Colombia

Transport and Communication

Railway Operations Curtailed.—The Ferrocarril de Antioquia of Colombia has been forced to curtail operations by eliminating several trips and is considering suspending others. The shortage and depletion of rolling stock causes traffic conditions on this line to be acute. Freight movements at all cities are said to be about 10 to 12 days behind schedule.

Cuba

Exchange and Finance

Surplus Budgetary Revenues to be Used for Emergency Expenses.—Cuban decree No. 2866, of October 6, 1943, provides that 50 percent of budgetary receipts in excess of estimated revenues for each quarter-year period shall be set aside for emergency expenditures not included in the regular budget, and that the remaining 50 percent of such excess shall be reserved for meeting deficits in receipts which may occur in subsequent quarterly periods. For the purpose of calculating such surpluses or deficits, 29 percent, 25 percent, 22 percent, and 24 percent of the total estimated budgetary

revenues for each year shall be regarded as the estimates of amounts to be collected in the first, second, third, and fourth quarters, respectively.

Egypt

Wartime Commodity Controls

Exportation of Specified Commodities Prohibited.—In a notice addressed to Egyptian exporters and published in the Journal Officiel of October 4, 1943, the Egyptian Ministry of Finance announced that further restrictions will be placed on the exportation of goods from Egypt. During certain periods no export permits for commercial shipments of specified commodities will be issued.

The Ministry of Finance recommends, therefore, that during the period October 1 to December 31, 1943, exporters should not present applications for export permits for the articles contained in the following list, which is to be revised quarterly:

- (1) All imported articles.
- (2) Toilet articles, rubber goods, electrical supplies, shoes of textile fabrics, shoe laces, lead arsenate, celluloid buttons, earthenware vases, oleaginous seeds, onions, cereals, ceramic tiles, potash for laundry, crucibles, paints, bicarbonate of soda, bicarbonate of potash, onion seeds, meloukbia seeds (an Egyptian vegetable), glycerin, raw and processed jute, ropes, sulfuric acid, grains (including oleaginous grains), printing characters, old braces, wood of all kinds and articles made thereof, dry clover, cotton twine, glass and articles thereof, ultramarine blue of stone, camphor oil, watches and their accessories, electric wires, iron sulfate, fertilizers, automobiles and all other means of transport, absorbent gauze, cottonseed oil, fats of all kinds, microscope lenses, carbon electrodes for use in motion-picture projectors, flash-

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Foreign-Trade-Statistics Restrictions To Continue

Foreign traders more and more frequently ask this question: "When is the Department of Commerce going to stop withholding from publication detailed statistics of foreign trade?" This seems an appropriate time to review the facts. On May 29, 1941, after consultation with other interested agencies, statistics showing country of destination of United States exports for periods later than March 1941 were declared confidential by the Acting Secretary of Commerce Wayne C. Taylor "in the interest of national and hemisphere defense." On December 11, 1941, immediately after we had entered the war, the Acting Secretary of Commerce ordered the discontinuance of publication of all statistics of United States foreign trade. This order was interpreted by administrative officials of the Department as applying to details of foreign trade, thus permitting publication of total exports and imports and of balances of trade with other American republics.

On March 18, 1942, the President issued an Executive order (No. 9103) instructing the Director of the Bureau of the Budget to "maintain a continuous surveillance of governmental publication of statistical data and to determine in any instance whether the publication of statistical data by any Government agency would be in accordance with governmental policy designed to guard against the unauthorized disclosure of vital information as such policy is formulated by appropriate authority." This Executive order removed control over publication of foreign-trade statistics from the jurisdiction of the Department of Commerce.

Recently the Security Advisory Board of the Office of War Information, which may be construed to be the "appropriate authority" mentioned in the Executive order, has considered anew the question of the necessity for withholding detailed statistics of foreign trade from publication and has recommended that existing restrictions be retained.

lights and candles, soaps, glue, gum arabic, raw wool, sesame oil, date paste, saffron, old bones, yarns of silk, wool, and rayon, formosul, coal, clothes brushes, vaseline, cork and articles of cork, camphor, parts for machinery, tools and automobiles, matches, casein, oil cakes and sesame, old clothes and textiles, bathing suits, condensed milk, agricultural waste, pulverized sulfur for agriculture, cotton bed clothing, clothing articles, products for painting and tanning industry, potassium nitrate, bran, starch, natron, eyeglasses and accessories, and foodstuffs.

France

Tariffs and Trade Controls

Platen Presses and Certain Coal-Tar Derivatives: Temporary Import Duty Reduction and Exemptions.—The reduced import duty on platen presses was continued temporarily and specified coal-tar derivatives were temporarily exempted from import duty in France, effective from February 13, 1943, according to L'Exportateur Français of February 26.

The coal-tar derivatives affected were: Dinitrophenol-sulfonic acids, nitro and dinitro chlorobenzene-sulfonic acids, and picramic acid and their salts, separated para- and meta-cresols testing over 90 percent of the principal product, nitrated and sulfonic derivatives of the cresols, chloronitrophenol and phenetol.

Additions to List of Swiss Commodities for Which Transit Permits Are Required.—A number of products were added to the list of Swiss commodities for which transit permits (delivered by the German Legation at Berne) have been required since September 18, 1940, for entry into France or for transit to

third countries, according to L'Exportateur Français of January 22, 1943.

The products added to the list include: Certain electric meters, time switches or switch clocks and ignition devices with winding mechanism; small files and rasps; thermometers and barometers not principally of glass; compound medicines with a base of quinine or quinine salts; aneurine (vitamin B₁); finished watch movements for chronometers; and pocket, show-window, and marine chronometers.

Foodstuffs or Necessities May Be Frozen in Customs or Monopoly Warehouses.—The French Minister-Secretary of State for Agriculture was authorized to freeze, in customs or monopoly warehouses, foodstuffs or products necessary for the general supplying of France, by law No. 1060 of December 31, 1942, published in the Journal Officiel (Vichy) of January 9, 1943, according to L'Exportateur Français of January 22.

Special permits would be required to remove such products from warehouses, to be granted by the official Supply Services or by groups designated by order.

Townships Authorized to Apply or Increase Local Sales Taxes if Octroi Taxes Abolished; Paris and Versailles Octroi Taxes Removed.—French townships which for any reason decide to abolish their octroi taxes were authorized, regardless of the number of their inhabitants, to impose a local tax on retail sales and certain services, by the fiscal reform law of October 24, 1942, published in the Journal Officiel (Vichy) of January 6, 1943, according to L'Exportateur Français of January 22 and 29 and February 5, 1943.

The existing local sales taxes of 0.25

percent were permitted to be increased to 0.50 percent, 0.75 percent, or 1 percent for townships of more than 30,000 inhabitants.

Under the above authorization, the local tax on retail sales for the benefit of the city of Paris was increased from 0.25 percent to 0.50 percent, effective from January 15, 1943. (The abolition of the Paris octroi taxes was under discussion.)

Effective from March 1, 1943, the regime of octroi taxes of the city of Versailles was abolished, according to L'Exportateur Français of January 22, 1943.

The octroi taxes of the city of Paris and the intercommunal taxes of the Parisian region have also been abolished by a recent law, according to Le Nouveau Temps, Paris, August 13, 1943.

French North Africa

Wartime Commodity Controls

Wooden Packing for Fresh Fruits and Vegetables: Sale and Use Limited in Morocco.—Effective from July 15, 1943, stocks of wooden boxes and packing of standard type for the transportation and exportation of fresh vegetables and fresh and citrus fruits in the French Zone of Morocco were blocked on the premises of manufacturers, merchants, or warehouses, by an inter-directorial order of July 15, published in the Bulletin Officiel of July 23.

No sale, transfer, or use of any or all of such packing, other than for the exportation of the products for which they are standardized, may be made without prior permission.

Exchange and Finance

"Sympathy Tax" in Algeria for Benefit of War-Damaged Agriculturists in Tunisia.—Taxes on specified items of agricultural production and on citrus-fruit orchards in Algeria were instituted by an ordinance of August 26, 1943 published in the Journal Officiel de la République Française of September 4. The proceeds are to be applied in relief of Tunisian agriculturists who have suffered loss as a result of military operations in Tunisian territory. The amounts of the taxes are as follows: 1 franc for each hectoliter (26.418 gallons) of wine of the 1943 yield; 0.80 franc for each quintal (220.46 pounds) of wine grapes; 1 franc for each quintal of cereals or dried vegetables; 5 francs for each quintal of tobacco; 100 francs for each hectare (2.471 acres) of citrus orchards 5 to 9 years old; and 150 francs for each hectare of citrus orchards over 9 years old.

The taxes are to be borne by the growers and are not to affect the selling price of the product concerned.

Tariffs and Trade Controls

Brandies: New Price-Equalization Tax Imposed in Algeria.—A new internal tax of 10,000 francs per hectoliter of pure

alcohol was established in Algeria on all imported cognacs and other brandies, by a decree of September 16, 1943, published in the Journal Officiel of Algeria and effective on September 24.

The proceeds of this tax will be paid by the customs authorities into the special Price Equalization Fund.

Dissolution of Trade Groups and Associations in Morocco.—The ordinance of July 6, 1943, of the French Committee of National Liberation, dissolving the French Popular Party and all associations, organizations, and groups connected with it, was applied in the French Zone of Morocco by a dahir of July 22, 1943, published in the Bulletin Officiel of July 23.

A second dahir of July 22, on economic organization in time of war, specifically abrogated all legislative measures taken between June 16, 1940, and July 23, 1943, which stipulated the constitution of compulsory groups of producers or merchants, the compulsory affiliation with a specified group, or which prescribed the organization of a trade, or which concerned the creation, extension, or transfer of industrial and commercial establishments. These measures abrogated include the dahirs of December 9, 1940, and February 1, 1942.

All of the groups and organizations formed under the above-mentioned legislative measures were dissolved as of July 23, 1943. It was stated, however, that commercial activity could not, at present, be restored to full liberty, but would be regulated under the more liberal wartime regime in effect before June 16, 1940.

For this purpose a new committee was formed, to advise on all questions relative to the creation and functioning of groups formed under the reinstated dahir of January 9, 1940, or of organizations created or designated by the responsible chiefs of administration, by a residential order of July 22, 1943, also published on July 23.

[A preliminary announcement of the dissolution of trade groups in French North Africa appeared in FOREIGN COMMERCE WEEKLY of August 21, 1943.]

Quota of Algerian Products Admitted to Morocco Duty Free.—The quota of Algerian products which may be imported into the French Zone of Morocco over the Algero-Moroccan border free of import duty and special tax has been fixed at a total value of 50,000,000 francs for the period from July 1, 1943 to June 30, 1944, by a vizierial order of July 25, 1943, published in the Bulletin Officiel of July 30.

[This quota is the same as for the preceding year, announced in FOREIGN COMMERCE WEEKLY of December 5, 1942.]

Morocco-Leather Articles: Monthly Export Quota Fixed.—A monthly quota of 5,000 kilograms was fixed for the exportation from the French Zone of Morocco of traditional Morocco-leather articles of native workmanship, by a residential order of June 15, 1943, published in the Bulletin Officiel of July 30.

A supplementary quota of 1,000 kilograms per month of articles developed from traditional Morocco-leather arti-

cles was fixed for exportation from Morocco by European exporters.

[An annual quota of 60,000 kilograms for all traditional Morocco-leather articles had been fixed by an order of March 15, 1942, which the present order cancels. See FOREIGN COMMERCE WEEKLY of September 26, 1942.]

Gold Coast

Wartime Commodity Controls

Purchase and Export of Copra To Be Controlled.—The purchase and shipment of copra from the Gold Coast will be controlled by the West African Produce Control Board until July 27, 1944, according to the Gold Coast Gazette of August 21, 1943. The price to be paid at approved buying centers will be £10 per ton naked ex-scale. Sales may be made only on the authority of the West African Produce Control Board in the United Kingdom which will receive all proceeds of such sales. No private sales will be permitted.

Tariffs and Trade Controls

Gold Coast to Buy Wire From United States.—Gold Coast requirements of bare copper wire will in the future be filled by bulk purchase on government account in the United States, according to the Gold Coast Gazette of August 18. Bare copper wire is defined as "uninsulated copper or cadmium copper wire whether single or stranded, tinned or untinned." Insulated wire and cable are not included.

Hungary

Transport and Communication

Railway Improvements.—The State Railways of Hungary invested 211,000,000

pengös during 1942 in improving installations and building the new Szeretetfalva-Deda Line, reports the Nazi press.

India

Wartime Commodity Controls

Films Placed Under Control.—Under the Defense of India Rules the Central Government of India has limited the length of films and the use of raw film under two orders, effective July 17.

Under the Cinematograph Film (Footage Control) Order the total length of a film shown for public entertainment may not exceed 14,500 feet. The feature film is limited to 11,000 feet, and one or more propaganda films, chosen from an approved list after September 14, must not be less than 2,000 feet.

The Raw Cinematograph Film (Footage Control) Order controls the sale of raw film and confines its use to those who have secured a license from the licensing authority. Those whose business obliges them to deal in raw film are also required to submit monthly reports of stocks to the licensing authority.

Measures Taken to Place Sugar Industry Under Control.—Prior to July of this year, control measures taken by the Government of India to regulate the supply and distribution of sugar did not include the important "poor man's sweetener"—gur—a kind of crude sugar widely used throughout India. This resulted in greatly increased prices for gur to a point almost equal to that of refined sugar. Not only did this work a hardship on those unable to afford refined sugar, but it decreased the amount of cane available to the refineries.

To overcome these difficulties the Government of India in July issued two control orders designed to bring about



a proper relationship between the production and price of gur and sugar. The Sugar and Sugar Products Control Order went into effect on July 1 and provides for control of price, production, and distribution of cane sugar by a Sugar Controller appointed by the Government.

The Gur Control Order, effective July 24, provides for a Gur Controller with much the same power. His first order, effective August 1, was a prohibition against transportation of gur across provincial borders (other than the United Provinces and the Northwest Frontier Province) without his permission.

Exchange and Finance

Rupee Counterparts to Replace Sterling Loans.—The Government of India has decided to create, as and when required, rupee counterparts of the 2½-percent and 3-percent undated sterling loans which are being repatriated as a part of the rapid reduction in India's foreign indebtedness. They will be in the form of 3½-percent paper up to the maximum value of the two loans repaid and will be available for sale through the Reserve Bank of India.

Iraq

Transport and Communication

Bus Service Inaugurated at Baghdad.—Bus service for the city of Baghdad and suburbs was formally inaugurated on August 28, 1943. A total of 23 buses now operate on the main thoroughfares, and this number may be increased to 50. The busses are of medium size and accommodate about 36 passengers.

Kenya and Uganda

Exchange and Finance

Increased Revenue from Customs and Excise Taxes in Uganda.—Uganda Protectorate's customs receipts for the period January through August 1943 totaled

£355,000, an increase of 17.5 percent over the same period in 1942, according to the Uganda Gazette of September 30.

Excise revenue due Uganda for the first 6 months of 1943 was more than £142,000, or 48 percent more than that received for the comparable 1942 period. Excise duties are charged on beer, sugar, tea, and tobacco.

Tariffs and Trade Controls

Reduced War-Risk Insurance Rates Applicable in Valuations for Duty in Kenya.—New war-risk insurance rates on goods to and from American ports have been announced by the Commissioner of Customs, Kenya and Uganda, according to the Official Gazette of Kenya, October 5, 1943.

The following rates will be used for the purpose of determining valuations for assessing ad valorem customs duties, if invoices do not include statements of war-risk insurance:

Mombasa, to or from:	Percent
North and Central America—Atlantic and Pacific ports.....	7
South America—Atlantic and Pacific ports.....	8½

[See FOREIGN COMMERCE WEEKLY of November 6, 1943, for previous announcement concerning Uganda.]

Madagascar

Tariffs and Trade Controls

Copals: Export Standards of Quality and Packing Established.—Standards of quality and packing for copals exported from Madagascar have been established, effective from August 1, 1943, by an order of July 16, published in the Journal Officiel of Madagascar on July 24. Four types of copal were approved for exportation.

Mexico

Economic Conditions

Retail business in Mexico during September was sustained by the national holiday trade in celebration of Mexico's independence. Along the border business was good, Nogales enjoying its best trade in a dozen years and Ciudad

Jaurez reporting retail business at maximum levels. Wholesale trade, on the other hand, was inclined to be dull, reflecting scarcity of imported goods and a hesitancy on the part of merchants to lay in stocks at present high prices. This reluctance was also noted among domestic manufacturers in a tendency to retard production to avoid accumulating heavy inventories at present high costs.

Reports from various sections of the country during the month indicated that prices may be nearing peak levels. In Agua Prieta and Nuevo Laredo, lard prices were off nearly 10 percent, and Guadalajara noted increasing offerings of imported lard. A slowing rate of price rises was reported in Mazatlan, and from the other end of the country lower prices were expected at Coatzacoalcas. However, strong demand and firm prices continued for luxury and semiluxury goods, but the volume of sales of such articles was naturally reduced. In some areas, prices for corn, beans, and other necessities moved higher despite energetic measures to control them.

LEGISLATION

A general price-freezing order was promulgated on September 21, 1943, covering textiles, foodstuffs, construction materials, rubber tires, petroleum products, and fuel. This was followed by a Presidential decree, published September 24 and effective October 1, 1943, requiring industry, commerce, and agriculture to give substantial increases in wages, amounting to 50 percent in the lower brackets and 5 percent for those receiving 10 pesos per day. The decree also froze wages at the new scale and prohibited unauthorized strikes.

The salaries of government employees receiving up to 830 pesos per month were also raised by a separate decree, published September 30 and effective October 1, 1943, the increases amounting to approximately 50 percent for those in the lower brackets and to 5 percent for those in the highest.

Petroleum workers were also provided for in a separate arrangement, effective October 1, 1943. Under that agreement, workers' wages were restored, without further discount, to the schedules awarded on December 18, 1937, and, in addition, those whose wages were less than 5.52 pesos per day received an emergency compensation of 10 percent.

FOREIGN TRADE

As was anticipated, Mexican exports in July and August fell off considerably in value, compared with previous months of the year, but both import and export trade figures continued to run ahead of corresponding months of 1942 by sizable amounts. Export movements were undoubtedly affected by the rainy season, by deficient transportation, and by steadily increasing Government export-control measures, the latter particularly affecting shipments of peanut oil, leather goods, sugar products, and various textiles.

The United States continued to be Mexico's best customer and principal supplier. During the month, heavy

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shipments to the United States were reported of turpentine, tequila, glassware, pottery, and basketry. Silverware and jewelry were also shipped in substantial amounts, despite the heavily increased export duties and taxes imposed on these products in August.

Mexico also found profitable bases for trade with other Latin American countries, notably Argentina. Shipments from that country consisted largely of bulk materials such as hides, wool, quebracho, stearin, casein, linseed, and canned meats.

INDUSTRY

The major industries of Mexico were fully occupied during September. Smelters and steel plants worked extra shifts, as did breweries, cement plants, paper mills, and guayule-processing plants. Moderate activity prevailed in the textile and lumber industries. Woolen and cotton mills operated on an 8-hour basis, as did shoe factories, tanneries, and most mills producing consumer goods. Around Agua Prieta, flour milling was suspended, and in Mexicali the flour mills were closed to prevent seasonal spoilage from weevils.

In Yucatan, henequen-fiber production and processing were well maintained, but Campeche reported a poor chicle harvest. Mahogany-lumbering operations in Campeche had also been curtailed, because lack of rain had left the streams too low to float out logs. With the exception of the smelting plants, which operate their own power units, all industries around Monterrey were affected by the electric-power break-down.

PETROLEUM

Oil production in August in the Isthmus fields was below that of July, and no new wells were brought in. In the northern fields around Tampico, there was also a slight decline in production for the month ended September 17. Stocks in the fields and at refineries as of that date were only slightly greater than in the preceding month.

Labor agitation in the oil fields and refineries quieted down following word of the special agreement regarding wage increases.

MINING

There were no important developments in the mining industry in September. The general wage increases granted by the decree of September 24 included miners, but the effect on production costs was tempered by the provision in the decree that workers who had already received pay increases in 1943 would benefit only to the extent of the difference necessary to bring their daily wage rate into line with what it would have been had no previous raise been granted. Mining interests did not expect extensive repercussions on volume of output, in view of the emergency character of the pay raises.

The expansion program in the Nacozari region neared completion in September and copper output there is expected to be doubled. It was also reported that zinc shipments from the new La Fortuna mine will start soon.

From Guaymas, manganese and graphite production was reported in greater volume.

Smelting operations around Piedras Negras were active, and the open-hearth furnace of La Consolidada maintained its daily schedule. Construction on the Altos Hornos steel plant at Monclova made satisfactory progress.

Transportation continued to be the chief obstacle to maintaining the production and exportation of minerals. While the situation has improved, there are still quantities of ore and refined products piled up for lack of rail and truck transportation.

CONSTRUCTION

For the most part, private construction was active and public works slack during September. Work on roads was affected by seasonal rains, and in some places shortages of labor and materials were felt.

At Coatzacoalcos work continued on the Southeastern Railway, the dry dock and breakwater, and the cement plant at Lagunas, all of which have been under construction for some months. At Guadalajara, enlargement of the brewery was planned, as well as a bottle plant to take care of the proposed expansion. Hosiery manufacturers in that city were also planning the construction of a cotton-yarn mill to provide for their needs.

A new guayule-processing plant was under construction near Cuatro Ciénegas, Coahuila, to begin operations by January 1. The new city market was progressing rapidly at San Luis Potosi and should be finished by the end of the year. Tampico planned the construction of new markets and a tuberculosis hos-

pital. In Mexico City, private building continued on a relatively large scale, notwithstanding shortage of many accessories and fixtures which ordinarily would be used if they could be imported.

LABOR

No serious work interruptions in industry occurred in September. Full employment was available and several districts reported an actual shortage of labor for crop harvests. Much of the unrest among workers because of the rising costs of living was relieved by the Executive wage-raising decree of September 24.

AGRICULTURE

The drought which had seriously affected agriculture in practically every State in Mexico was broken by plentiful rainfall which began early in September. The exceptions were parts of the States of San Luis Potosi and Chihuahua, where rainfall has been scattered and generally unsatisfactory.

Cattle losses due to drought conditions are estimated at from 10 percent to 30 percent, but since the cattle ranges have generally benefited from recent rainfall further losses are not anticipated. Cattle shipments to the United States were practically nil in September and were not expected to pick up until about November.

Harvesting of the cotton crop was rapidly drawing to a close, and according to preliminary estimates, the 1943 crop may be one of the largest on record. It is believed that it will surpass the 410,000 bales of 1942 by from 70,000 to 90,000, making a total production of from 480,000 to 500,000 bales. Damage from insect infestation was relatively light, and the

Puerto Rico Gets More Service From Its Motortrucks in New Program

Puerto Rico is pioneering notably in developing more efficient use of motor transportation as a means of offsetting curtailed production of nonmilitary trucks in the United States. Realizing the war's enormous demands upon the automotive industry of the United States, which largely supplied the Western Hemisphere countries in peacetime, Puerto Rico is determined to get the greatest possible amount of service out of the trucks it has on hand.

Methods used in dealing with the motor-transport situation in Puerto Rico are outlined in a report recently received in Washington from Regional Director Charles G. Anthony, assigned to that area by the Office of Defense Transportation. The report indicates operation methods which may be advantageously applied elsewhere.

"We have sought," Mr. Anthony reported, "to obtain a more efficient use of motor equipment by requiring a capacity load of trucks and busses, prohibiting overloading of equipment, prohibiting empty truck movements except where actually unavoidable, eliminating unnecessary schedules, encouraging joint action of various kinds between carriers, outlining a program of equipment maintenance and inspection, and actually obtaining backhauls for operators."

Application of these practices, according to Mr. Anthony, "has resulted in more efficient and prudent operation. The program has resulted in elimination of thousands of empty truck movements, has extended the life of equipment, and, paradoxical as it may seem, has made friends of an industry subject to the regulations. The operators have found that, under this efficient operation, they have actually shown a reasonable profit for the first time in years."

dry weather also helped the cotton, since in other years the yield was reduced by heavy rainfall just when the cotton was ready to be picked.

Practically all grain crops have been adversely affected by the drought, but the corn crop undoubtedly has felt the effects more than any other. While estimates of reduced yields vary from 20 percent to 50 percent, it seems certain that production in the leading corn-producing States of Jalisco, Guanajuato, Mexico, Durango, San Luis Potosi, and Veracruz will be substantially below previous years. The rice crop, on the other hand, is progressing favorably, with current production placed at 115,000 metric tons. This represents a slight increase over the preceding year. Normally, this amount would provide a surplus for export, but if corn and beans are scarce, rice consumption may increase to the point that no exportable surplus will be available. Wheat planting was in preparation in Torreón and Guadalajara; in the vicinity of Chihuahua wheat was reported in good shape, but acreage was much reduced from previous years.

Banana shipments from Mexico continued to run heavy. While large shipments of Roatan bananas were made from the State of Tabasco, Chiapas continued as the leading producer, with an estimate of about 100 cars leaving that region weekly. Oranges were available in larger quantities and were of excellent quality.

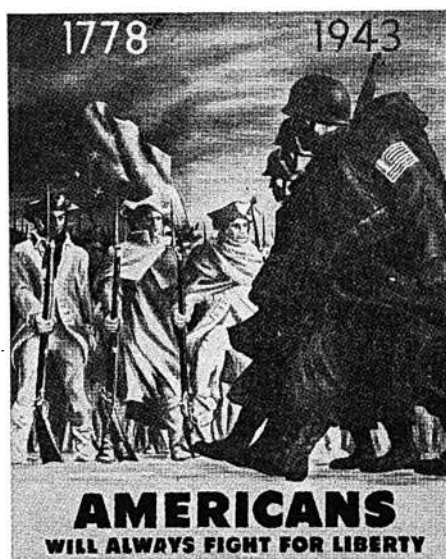
The bean crop, like the corn crop, has been affected by the drought and the yield is reported to be below normal. The possible bean shortage, however, is not as alarming as the apparent corn shortage, since the large crop of beans last year allowed a sizable carry-over, even though this may not be sufficient to make up for the likely deficit from the present crop.

Added interest is being shown in the production of peanuts, castor beans, sesame and other oilseeds, production of which has increased considerably over previous years. Acreage in the State of Jalisco has been greatly increased, and reports indicate that while irregular rains have damaged other crops, they have not so affected the oilseed crops. In Tamaulipas, however, production of castor beans from the estimated 24,000 acres will be practically nil because of the drought. Increased interest is being shown in vegetable oil in the Mazatlan, Matamoros, and Tampico areas.

Newfoundland

Wartime Commodity Controls

Foodstuffs: Sale or Transfer Must be Approved by Food Controller.—Application in writing to the Food Controller must be made by every person who desires permission to sell or transfer foodstuffs to the armed forces stationed in Newfoundland or to any ship of war or to any canteen operated inside a barracks area, including one entitled to receive imported foodstuffs free of import duties, according to terms of the "Defense (Control of Sale of Foodstuffs) Regula-



tions, 1943," as published in the Newfoundland Gazette, St. John's, October 12, 1943.

Such application must state the quantity, value, description and appropriate tariff item under which the goods have been or similar goods would be imported into Newfoundland.

The Food Controller may either authorize or prohibit the supply, transfer or sale of such quantity of any foodstuff as he shall see fit, or he may direct that such supply, transfer, or sale be made subject to any conditions he shall deem necessary, including the fixing of maximum or minimum prices at which the transaction may be effected.

The above regulations do not affect imports of foodstuffs consigned direct for use by a unit of any of the armed forces in Newfoundland or transferred free of duty from a customs warehouse under terms of a contract between the seller or supplier and the Department of Munitions and Supply of Canada.

New Zealand

Transport and Communication

Public-Works Projects.—For the year ending March 31, 1944, public-works estimates for New Zealand include provision for the completion of existing railway lines at an expenditure of £329,000, states a foreign technical publication. The largest expenditure (£150,000) is for work on the South Island main trunk railway.

In addition, expenditure of £1,780,995 is proposed for railway improvements, principally rolling stock, workshop improvements, siding and station rearrangements, and the purchase of road services.

Air-Transport Operations.—Two New Zealand air-transport services have reported operating statistics for 1942-43.

The following table shows figures for major activities of the Tasman Empire Airways, Ltd., for the year ended March 31, 1943, and of the Union Airways of New Zealand, Ltd., for the period from March 28, 1942, to March 26, 1943:

Item	Tasman Empire Airways, Ltd.	Union Airways of New Zealand, Ltd.
Passengers:		
Number	2,259	28,045
Miles	3,023,040	4,382,860
Freight:		
Pounds	33,990	135,760
Ton-miles	20,332	7,324
Mail:		
Pounds	101,737	190,292
Ton-miles	60,874	21,996

Telephone Subscribers.—Telephone subscribers in New Zealand during the 12-month period ended March 31, 1943, numbered 177,030, a slight increase over the preceding year's total of 176,171, the foreign press reports.

Improvements made during the year included the installation of modern switchboards in the manual exchanges at Dargaville, Feilding, and Pukekohe.

Northern Rhodesia

Exchange and Finance

Government Expenditure and Revenue for First Quarter 1943.—Government expenditure exceeded revenue by more than £508,000 during the first quarter of 1943, according to the Northern Rhodesia Gazette of September 3. Actual expenditure was £921,000, but excluding the amount of £500,000 paid to the Reserve Fund, the remaining expenses for the quarter show an increase of 25.3 percent over the £336,000 expended during the first quarter of 1942.

Revenue for the first quarter of 1943 rose 17 percent—to £412,000. The largest sources were: Licenses, taxes, and similar items, £140,000; customs, £139,000; and interest, £73,000.

Expenditure for the year 1943 is estimated to be nearly £2,391,000, while revenue is expected to be approximately £2,635,000.

Paraguay

Tariffs and Trade Controls

Import Charges Considerably Augmented by Increased Customs Surtax and Higher Conversion Rate.—The increase of the general Paraguayan customs surtax from 7 percent to 15 percent ad valorem (except on certain specified products and duty-free goods) and the application to the customs surtax and various other minor customs charges of the conversion rate used for the basic import duties, as provided for by decree law No. 19360 of August 13, 1943, results in an increase of the amount of the customs surtax by more than 240 percent, or a considerable increase of the total import charges.

Under the recent decree the rate for converting the gold peso amount of the customs surcharge into paper pesos in which duties are actually paid is 1 gold peso to 127.27 paper pesos (the same rate as for converting the basic duties), which is the average of the two rates set by the Bank of the Republic for commercial transactions (1 gold peso to 175

paper pesos) and by the Ministry of Finance (1 gold peso to 79.5454 paper pesos) as required by provisions of decree law No. 19360. Prior to decree law No. 19360 the conversion rate was 1 gold peso to 79.5454 paper pesos.

[For notice of decree law No. 19360 providing for these modifications, see FOREIGN COMMERCE WEEKLY of October 23, 1943.]

Sugar and Edible Oil: Duty-Free Importation Authorized.—The Agricultural Bank of Paraguay was authorized to import free of customs and port charges up to 3,000 tons of sugar and 500 tons of edible oils to alleviate anticipated shortages of these commodities before the end of the current crop year, by decree law No. 759 of October 11, 1943.

Rubber Scrap: Exportation Conditionally Permitted.—The reexportation of scrap rubber or unserviceable rubber articles in compensation for the importation of a corresponding quantity of new manufactured articles that contain rubber was authorized by Paraguayan decree law No. 193, of September 2, 1943.

The General Administration of Industry and Commerce will determine for each product the proportion of scrap rubber to the imported unit, the proportion applying to batteries being 3 kilograms of scrap rubber for each unit imported.

As a guaranty, exporters of scrap rubber must deposit in a special account in the Bank of the Republic of Paraguay an amount equivalent to the value of the exports, this value, to be determined by the General Customs Administration. The deposit is credited against the importation of the articles obtained in compensation for the exported scrap within the time established in each case.

Sierra Leone

Economic Conditions

SIERRA LEONE PLANS FOR THE FUTURE

A government committee has been appointed in Sierra Leone to study procedures and schemes for absorbing labor and other relevant matters, and for the participation of Sierra Leone in a scheme for a central rehabilitation training unit for disabled African servicemen and the treatment of incurable African ex-servicemen, according to the Sierra Leone Royal Gazette of September 9.

BRITISH PARLIAMENT ASSISTS INTERNAL IMPROVEMENTS AND TEACHER TRAINING

Assistance to Sierra Leone involving irrigation, drainage, and the reclamation over a 5 year period of some 65,000 acres, and for training African teachers, has been granted from the Colonial Development and Welfare Fund, according to the Sierra Leone Royal Gazette of July 8. It is intended that large areas of swamp land will be made available for rice cultivation and farming.

A free grant has also been made to the Colony for training in England competent African girls to become secondary school teachers, and for the engagement of three additional female education officers to serve in the Education Department.

Exchange and Finance

Government Accounts for 1942 Showed Surplus.—The financial accounts of the Sierra Leone Government for 1942 resulted in a surplus of £138,000. Revenue amounted to £1,500,000 compared with £1,300,000 in 1941; expenditure totaled £1,300,000, against £1,100,000 in 1941. The principal increase in expenditure was for special war services, amounting to £241,000.

The Sierra Leone fiscal year corresponds to the calendar year.

Income Tax Imposed.—Sierra Leone passed its first income-tax ordinance on May 22, 1943. The law provides for a tax of 3d. on the first £200 of chargeable income and rises to 10s. on every £1 over £10,000. Companies pay tax at the rate of 5s. on every £1 of taxable income. Relief in respect of taxes paid elsewhere in the British Empire is provided.

The ordinance is to become effective upon proclamation by the Governor.

Purchase and Sale of Foreign Currency Controlled.—Firms or persons resident in Sierra Leone may obtain foreign currency only from an authorized dealer and may dispose of foreign currency only to an authorized dealer in Sierra Leone, according to the Sierra Leone Royal Gazette of May 13. Authorized dealers are the Bank of British West Africa and Barclays Bank.

Tariffs and Trade Controls

Bulk Purchase To Be Applied to Iron and Steel Wares in 1944.—The procedure of bulk purchase is to be applied during 1944 to specified commodities according to the Sierra Leone Royal Gazette of July 15. Applications will be accepted only from importers who conducted business during the period 1936 to 1941. The specified commodities include iron and steel manufactures and semimanufactures, and tools and machinery.

Committee To Purchase Produce of Sierra Leone.—The West African Prod-

uce Control Board is now the sole purchaser of palm kernels, cocoa, and ginger for export from Sierra Leone, according to the Sierra Leone Royal Gazette of March 18. The local arrangements in Sierra Leone are controlled by the government, which is advised by the Sierra Leone Export Produce Advisory Committee.

Sweden

Transport and Communication

Post-War Steamship Service to East Africa Planned.—The Svea Shipping Co. (Rederi A. B. Svea) of Stockholm, Sweden, has started preliminary work for a new steamship route to operate, after the war, between Sweden and East African ports as far south as Mozambique. The line is to be called Svenska Ostafrika Linjen (The Swedish East African Line).

Previously, Sweden had no direct shipping connections with the East African coast, and it is anticipated that the new line will be of considerable importance to Swedish exporters and importers.

Syria and Lebanon

Tariffs and Trade Controls

"Abou-Riha" Tobacco: Regulations for Exportation and Sale of 1943 Crop.—Planters of "Abou-Riha" tobacco in Syria and Lebanon are required to deliver, individually, 60 percent of their 1943 crop to the warehouses of the Administration of the Tobacco and Tobacco Monopoly, by order No. 311/FC of July 31, 1943, published in the Bulletin Officiel of August 15.

The remaining 40 percent of such tobacco may be exported under permit, subject to specified conditions.

Turkey

Transport and Communication

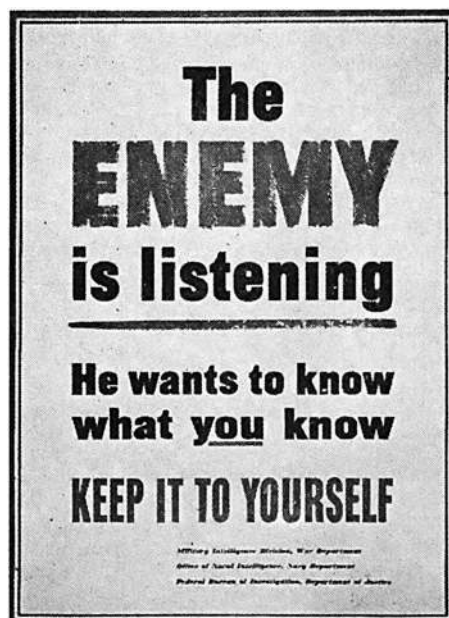
Ships Purchased by Government.—The Turkish Government is reported to have purchased nine French ships, including two tankers.

Four of five freighters acquired from Great Britain have arrived in Turkey to be used in the trade between Egyptian and Turkish ports.

United Kingdom

Exchange and Finance

Pay-as-You-Earn Tax Proposal.—A proposal for the taxation of weekly wage earners in the United Kingdom on a pay-as-you-earn basis is described in a White Paper published on September 22. Under the present system, introduced by Finance (No. 2) Act, 1940, the tax on weekly wage earners is collected on the basis of half-yearly assessments by deduction at the source measured by



OEM Defense Photo

earnings in the preceding 6 months. Parliament will be asked to consider the proposals at a sufficiently early date to enable the new system to be brought into effect from April 6, 1944, the beginning of the income-tax year 1944-45. The principal features of the new system, described in the White Paper, are, in part, as follows:

There will be ascertained at the end of every week the amount of tax due from the wage earner on the total amount of wages paid up to date, this amount of tax being calculated by allowing against the total amount of wages the proportional part of personal reliefs due to him for the whole year.

The amount of tax to be deducted in any particular week will be (a) the tax due on the aggregate wages up to and including that week, less (b) the tax already deducted in the previous weeks of the year. Thus at the end of the first week the tax to be deducted will be tax on the basis of allowing one-fifty-second of the reliefs for the year; at the end of the second week the tax to be deducted will be the excess of (a) the tax on the aggregate wages for the 2 weeks, allowing against those wages two fifty-seconds of the reliefs for the year, over (b) the tax already deducted in the first week; and so on throughout the year.

Where wages fall or cease temporarily, it may happen that the cumulative tax up to the end of a particular week is less than the aggregate of tax deducted in previous weeks; in that event the system provides for a repayment of tax to be made forthwith by the employer equal to the excess of the aggregate amount of tax already deducted in previous weeks over the cumulative tax up to the end of the week in question. Where a refund is due to an employee the employer will normally have in hand tax already deducted from other employees.

The cumulative tax up to the end of the last week of the year, being the tax on the aggregate actual earnings for the whole year after allowing a whole year's allowances and reliefs, will (subject to minor qualifications) be neither more nor less than the actual amount of tax due from the wage earner for the year.

CODE NUMBERS TO SIMPLIFY CALCULATIONS

The system will not involve elaborate calculations by employers. Each wage earner will be given a code number by the Inland Revenue in accordance with the allowances and reliefs due to him, and the code number for each of his employees will be notified to the employer well before the beginning of the year (before April 6). The employer will also be supplied with tax tables showing, for each code number, the cumulative tax on any given aggregate amount of wages up to the end of each week of the year. A tax-deduction card will be supplied to the employer for each wage earner for recording, week by week, the wages earned and the tax deductions made.

The tax deducted by an employer from his employees will be paid over monthly to the Collector of Taxes. Where the amounts involved are small, arrangements will be made for the payments by the employer to the collector to be made



quarterly instead of monthly. At the end of the year the employer will give each employee a certificate showing the net tax deducted and will send the collector all the tax-deduction cards. The cards serve the double purpose of a return of tax deductions and an employer's return of wages for assessment purposes.

After the end of the year, when the tax-deduction cards have been received from the employer, the Inspector of Taxes will send to the wage earner a notice of assessment for the past year showing the tax due for the year, the amount of tax deducted by the employer in respect of that tax liability, and the manner in which any over-deduction or under-deduction will be dealt with. For the purpose of this assessment, and to enable adjustments to be made to the coding where personal circumstances alter, the wage earner will make the usual annual return and claim for allowances.

If, after deductions have started, the wage earner's circumstances alter so as to increase the amount of the allowances to which he is entitled, effect will be given to this alteration as soon as the Inspector of Taxes is informed of the change by the wage earner. The Inspector will notify the employer that in the future he is to make deductions appropriate to a new code number which will correspond to the changed circumstances of the wage earner.

DISCHARGE OF UNPAID TAXES

For the manual wage earner assessed half-yearly (that is, on income earned from April 6 to October 5, 1943) the deduction of tax for the current year 1943-44 is due to begin on February 1, 1944; for other wage earners (such as clerks and typists) the deduction of tax for the current year is due to begin on November 1, 1943. In the former case the position on April 6, 1944, will be that roughly two-twelfths (the deductions made in February and March 1944) of the tax due for the year 1943-44 will

normally have been paid, and ten-twelfths will be outstanding; in the other case the position will be that five-twelfths of the tax due for the year will have been paid and seven-twelfths will remain outstanding. From April 6, 1944, both classes will be paying the 1944-45 tax by the weekly deductions under the new method, and it is, therefore, proposed to discharge the outstanding balance of the 1943-44 tax—that is, ten-twelfths for manual wage earners and seven-twelfths for other wage earners of the tax chargeable for the year 1943-44.

The discharge of this outstanding balance (estimated at £250,000,000, of which about half would have been ultimately repayable in the form of post-war credits) involves no immediate loss to the Exchequer. Under the existing law, it would be necessary to make assessments on all manual wage earners this autumn in respect of their wages for the 6 months ended October 5, 1943, in order to determine the tax deductible in the 6 months beginning on February 1, 1944. With the discharge of the ten-twelfths of the tax outstanding on April 5, 1944, these assessments would operate only for the months of February and March 1944. It would be impracticable to make these assessments this autumn, and at the same time to carry out the coding of all taxpayers for the new deduction system, and all the necessary preparatory work. It is proposed, therefore, that these assessments should not be made, but that the weekly rate of deductions in force in the 6 months ending January 31, 1944, should continue throughout February and March 1944, as a provisional arrangement.

Venezuela

Economic Conditions

An outstanding feature of present-day economy in Venezuela is an amplitude of investment and spending funds. Internal business continues on a satisfactory level, with calculations centering principally around the quantities of merchandise that are likely to be imported in the future. Building and public construction continues at a high level. Ship arrivals during recent months have increased, and the customary retail trade is in a much better position than for some time past. However, a great many commodities, including in particular machinery, iron and steel products, automotive vehicles, tires, and numerous other products, are lacking. Coffee exports over 11 months of the current coffee year have been substantially below those of the corresponding period of the preceding year, and it appears likely that the United States quota will not be filled.

The Central Bank has unprecedented gold and foreign-exchange reserves, while note issues likewise stand at a high level. The possibility of inflation is much discussed among Venezuelan commercial interests. Following on parliamentary approval, the Finance Ministry announced the issue of 8,000,000 bolívars

of the authorized 24,000,000-bolivar public-works loan. The new securities bear interest at 5 percent and will mature in 4 years.

AGRICULTURE

Coffee exports during 11 months (October 1 to August 31) of the 1942-43 coffee year were, as already indicated, considerably below those of the corresponding period of 1941-42, standing at 459,543 bags of 60 kilograms each, compared with 537,137 for the earlier period. Data pertaining to shipments applicable to the 1942-43 Venezuelan quota for the United States market show 524,749 bags cleared through the customs from October 1, 1942, through September 18, 1943. This latter total includes 58,767 bags shipped "in bond" during the prior quota year but cleared during 1942-43. It is anticipated that the full quota of 680,558 bags will not be met by the time the quota year has expired. It is still too early to calculate the 1943-44 crop, but present estimates consider that it will not exceed the 500,000 bags gathered in 1942-43, so that amounts to become available, including stocks, would likewise not be sufficient to fill a quota equal to that of the current year.

The relatively important cattle industry of Venezuela has been the subject of long discussion between raisers and the government. Ranchers claim that regulated prices are not sufficient to compensate production costs.

The cotton crop for the year 1942-43 is now reported to have amounted to 3,428,000 kilograms, which figure is far below the 6,000,000 kilograms which it was originally hoped could be reached. Some 45 percent of the crop was lost, primarily because of insect damage and bad seed selection.

INDUSTRY AND CONSTRUCTION

By far the most important of any single industry in Venezuela is that of petroleum production. For more than a year output has been greatly reduced because of war conditions. Outlook for the future, however, is for considerable improvement in the war-hazard factor. A number of producers are planning the drilling of new wells.

A new cement company has been organized under the name of *Compañía Anónima Venezolana de Cementos* with a capital of 9,000,000 bolivares. A plant to be erected at a site known as Portigalete is expected to have production by the end of 1944 of 100,000 tons.

FOREIGN TRADE

A trade development of outstanding importance has to do with modification of the decentralization plan for control of exports from and imports into Venezuela from the United States. The Venezuela Government has agreed to permit ready entry of a list of products which were heretofore subject to an import permit.

Exchange and Finance

Among the more important financial developments during the quarter ended September 30, 1943, were liberalization of the eligibility requirements of the

Central Bank for the discounting of commercial and other short-term paper, and continued expansion of the Bank's foreign-exchange holdings and note issue.

By a law of July 9, the Bank was granted authority to discount or rediscount one-name commercial, industrial, livestock, and agricultural paper in addition to documents bearing two "first-class" signatures. Whereas formerly such rediscounts were limited to two-name paper, the bank is now authorized to waive one signature upon the presentation of adequate collateral security. Documents regarded as adequate security include transit and warehouse documents, trust receipts, high-grade stocks, and bonds secured by real estate or other property. The maximum maturity of agricultural and livestock paper was extended from 270 to 360 days from the date of the discount transaction.

The bank was also authorized to increase its loans against Government securities. Advances to banks against Government bonds, plus purchases or rediscounts of Treasury notes, were formerly restricted to twice the Central Bank's paid-up capital and reserves. Under the new legislation, such loans and rediscounts may be made up to twice the authorized capital and reserves. The effect of this is to increase the bank's lending power against government securities from 11,000,000 bolivares to 21,000,000 bolivares. In addition, advances against Government bonds, as distinct from Treasury notes, which were formerly limited to 1,050,000 bolivares, may now be made up to the 21,000,000-bolivar limit. These measures as to loans against Government securities are particularly significant in view of the recent issue of 8,000,000 bolivares in connection with the public-works plan.

The gold and foreign-exchange holdings of the Central Bank on September 30, 1943, amounted to the equivalent of \$53,353,000 as compared with \$48,680,000 on June 30, 1943, and with \$26,648,-

000 on September 30, 1942. Thus gold and exchange holdings have doubled during the past year. Note circulation, on the other hand, increased from 207,534,000 bolivares on September 30, 1942, to 256,076,000 bolivares on June 30, 1943, and to 258,342,000 bolivares on September 30, 1943, an increase of about 24.4 percent during the year ended September 30, 1943.

Transport and Communication

Motor and Air Transport Developments.—Reportedly, there are about 6,000 motor vehicles laid up in the country, mainly as a result of lack of tires. On the basis of this figure it would appear that some 16 percent of the total vehicles in the country are not functioning at the present time.

A new air-transport company, known as *Aerovías de Venezuela*, has been formed in the country, with the initial plan of conducting merchandise-transport operations.

Canada Is World's Biggest Base-Metal Exporter

Canada now ranks as the largest exporter of base metals in the world, production in 1943 exceeding that of any year in the Dominion's history, states an official Canadian publication. With output of aluminum 6 times that of 1939, Canada is furnishing 40 percent of the requirements of the United Nations.

Canada is now producing 95 percent of the combined nickel output of the United Nations, 20 percent of the zinc, 12½ percent of the copper, 15 percent of the lead, 75 percent of the asbestos, and 20 percent of the mercury.

New Plans for Central Do Brasil Railway

In an address delivered before the Engineering Institute of Sao Paulo recently, Engineer Urbano Setembrino de Carvalho dealt at length with the work to be undertaken to improve traffic conditions of the Central do Brasil Railway (as reported in the press of Sao Paulo).

The speaker pointed out that at the present time the branch from Rio de Janeiro to Sao Paulo is transporting about 4,220,000 tons per annum, and that the theoretical "traffic saturation point" is only 4,716,981 tons. He went on to say that: "the matter becomes much more serious when we consider the situation which will arise with the implantation of the heavy iron and steel industry in the Parahyba Valley. Indubitably, this will mean an enormous addition to the tonnage to be carried, not only so far as the actual branch—Barra do Pirahy to Barra Mansa—to the works is concerned, but also because of the other industries to be established. Thus we estimate an addition of 35 percent in this direction and a further 15 percent to maintain the greatly increased population in the zone in question. We therefore have to provide for an annual tonnage of 6,333,000."

"What you're making
may save my Daddy's life"



Official OWI Photo

News by COMMODITIES

Beverages

RUMANIAN WINE SITUATION

Grape production in Rumania is good this season, and about 50,000 carloads of wine will be made, according to the foreign press. About 30,000 carloads of wine remain unsold from last year's crop.

The price of wine in Rumania is considered to be at rock bottom, and, to assist the wine cooperative, the National Agricultural Credit Bank allocated a credit of 100,000,000 lei. It is alleged that credit institutions are refusing to grant new loans to growers because the former debts have not been paid.

The price of last year's wine was fixed at 7 lei per degree of alcohol per liter, in addition to the usual taxes. No mention is made of the wine price of this year's crop, although it is said that plum brandy is sold at 5.50 lei per degree of alcohol per liter.

Chemicals

INCREASED CONSUMPTION OF CALCIUM CARBIDE IN ARGENTINA

Consumption of calcium carbide in Argentina has increased because of the greater use of acetylene welding by industry, the foreign press reports.

Before the war, most of Argentina's requirements of this material were imported from European sources—in 1940, 7,924 tons out of a total of 10,732 came from Europe. In 1942, however, only 622 tons were received from Europe.

Total imports of calcium carbide in 1942 amounted to 12,203 short tons, of which the United States furnished 8,373. Corresponding figures for 1941 were 8,245 and 5,723, respectively.

CANADIAN FERTILIZER PLANT ENLARGED

An extension, to cost approximately \$80,000, is under construction at the fertilizer plant of Canadian Industries, Ltd.,

at Beloeil, Quebec, say press reports from Canada.

Additional equipment will be provided for the manufacture of superphosphate, stepping up production 60 percent.

GRAIN SURVEY MADE IN CANADA

Since more western wheat may possibly be used for alcohol in Canada, the Grain Research Laboratory has made a survey of various grades.

There is a comparative shortage of grades high in starch content, it is stated.

CHEMICAL-FERTILIZER SHORTAGE, CANARY ISLANDS

Inadequate supplies of chemical fertilizers remain the principal drawback to agricultural production in the Canary Islands.

The arrival during the summer of an order of ammonium sulfate helped to relieve the situation somewhat. Distribution of the shipment, which totaled 2,301 metric tons, began immediately, but was made at first only to growers of bananas, an important export crop, and to producers of corn grown for local needs. The amount furnished per acre was necessarily small. It was planned to allot the balance to the tomato crop.

Difficulties in obtaining ammonium sulfate in the Canary Islands started during the Spanish civil war when the regular import volume was cut considerably, and the situation has grown more critical during World War II. Crops are reported to have been seriously affected. The average weight of banana bunches, for example, has been smaller, although the number of bunches is said to have been maintained fairly well.

CHEMICAL COMPANY FORMED IN KWANTUNG

The Japan Chemical Industrial Co. has organized the Kwantung Industrial Co. in Kwantung, according to a Japanese broadcast.

Capitalization of the new concern has been fixed at 15,000,000 yen, it is reported. Magnesium will be one of the firm's principal products.

Coal

SPAIN INCREASES COAL PRODUCTION

Production of hard coal in Spain increased to 3,400,000 tons in the first 5 months of 1943 from the 3,200,000 tons reported for the comparable period of 1942, the foreign press reports.

COAL PRODUCTION INCREASES IN U. K.

Output of salable coal in the United Kingdom in the 4 weeks ended October 2, 1943, averaged 3,819,400 tons a week, compared with 3,767,800 tons a week in the preceding 4 weeks. Since March 21, 1943, weekly output has averaged 170,000 tons less than in 1942, representing a relative loss of 4,750,000 tons.

Because of bad weather, production of outcrop coal dropped from a weekly average of 134,200 tons in August to 121,000 tons in September.

URUGUAY'S COAL IMPORTS

Coal imports into Uruguay totaled 241,000 tons in the year ended June 30, 1943, the foreign press reports. Included in this total were 86,000 tons from Great Britain and 59,000 tons from South Africa.

Construction (Including Highway)

ARGENTINA'S PUBLIC-WORKS PROJECTS

Construction work outlined by the Government of Argentina, according to a foreign technical magazine, includes work at the El Cadillal Dam in the Province of Tucuman, to cost approximately 18,999,000 pesos, a reservoir at Escaba, also in the Province of Tucuman, at an estimated expenditure of 14,404,000 pesos, and hydraulic construction totaling 25,000,000 pesos at San Jaun. Drainage projects in the Province of Buenos Aires to cost 80,000,000 pesos also are planned.

PRIVATE BUILDING DECLINES IN CANADA

Private building activity in Canada showed a further decrease in August, according to figures issued by the Dominion Bureau of Statistics. Permits to the value of \$7,080,395 were issued by Canadian municipalities in August, whereas in July they amounted to \$9,843,479 and in August 1942 to \$8,342,168.

Values of permits issued in first 8 months of 1943 and the months of July and August, and for the corresponding periods in the 4 previous years, are given below:

Year	July	August	First 8 months
1939.....	\$6,584,125	\$6,178,212	\$39,907,093
1940.....	11,961,321	11,634,407	71,418,272
1941.....	12,905,287	12,852,351	80,464,236
1942.....	10,677,733	8,342,168	70,321,194
1943.....	9,843,479	7,080,395	52,195,351

DIKE IN CHINA EXTENDED

The length of the Yellow River dike in Honan Province, China, has been increased to 211 miles, with a total expenditure of \$3,000,000. In 1940 the dike was but 99 miles in length, states the Japanese press.

NEW ZEALAND'S CONSTRUCTION PLANS

The cost of public-housing construction in New Zealand for the year ending March 31, 1944 is estimated at £3,064,000, the foreign press states. Other construction planned for the year includes: Public

Life Not So Sweet in Rumania

The first half of 1943 showed a large decrease in domestic consumption of sugar in Rumania, as contrasted with 1940 and 1941.

The Axis press states that 34,795 tons (presumably metric tons) of sugar were consumed in the first 6 months of 1943—4.5 percent less than the amount consumed in the corresponding period of 1941 and 44.8 percent less than in the first half of 1940.

buildings, £500,000; water-power development, £3,200,000; irrigation, £230,000; soil conservation and erosion control, £40,000; roads and highways, £1,882,200; and lighthouses, £28,900.

SOUTH AFRICA'S HOUSING PROGRAM

The construction of 30,000 houses, principally in urban areas, is planned by the South African Government in the next 12 months, states an African journal. Execution of the program will be limited only by the supply of building materials.

A director of housing has been appointed to make a national survey of housing needs, which is now estimated to be 500,000 dwellings.

Electrical Machinery and Equipment

BULGARIAN COAL PRODUCTION ADEQUATE FOR POWER NEEDS

Electric-power plants in Hungary use domestic brown coal as their basic fuel. The foreign press states that brown coal mines are working at capacity and that production is adequate to meet present needs of the power systems.

HUNGARIAN COMPANY TO INCREASE CAPITAL

The Hungarian Electric Co., Ltd., has announced through the press that its working capital will be increased from 500,000 pengös to 3,000,000 pengös. This company is reported to be a subsidiary of a German concern.

Foodstuffs and Allied Products

Coffee and Cocoa

BRAZILIAN COFFEE SITUATION

No new official estimates of the 1943-44 Brazilian exportable coffee crop were made during September. A member of the trade, however, estimated the Parana crop at 700,000 bags of 60 kilograms each (1 kilogram=2.2046 pounds) and the Sao Paulo crop at 8,500,000 bags.

Stocks of coffee at principal Brazilian ports on September 30, 1943, amounted to 1,941,293 bags, as compared with 2,140,764 bags on the corresponding date in 1942.

Exports of coffee from Brazil during September 1943 totaled 764,984 bags, compared with 495,642 bags in September 1942, and 1,222,126 bags in August 1943.

COSTA RICAN COFFEE SALES

Coffee sales for local consumption in Costa Rica in August 1943 amounted to only 1,750 bags of 60 kilograms each compared with 3,926 bags in the preceding month. The last of the 1942-43 Costa Rican coffee crop was sold in August.

Total sales of the 1942-43 coffee quota crop amounted to 442,700 bags as of

August 31, 1943, compared with 420,811 bags in the 1941-42 quota year, or a gain of about 5 percent.

DOMINICAN REPUBLIC COCOA INDUSTRY

An indication of the present favorable position of the Dominican Republic cocoa industry is the fact that during the first 9 months of 1943 exports were 36 percent larger than in the entire year 1942, and 7 percent greater than the 1932-41 annual average. Exports from the Dominican Republic in October 1943 reduced the amount on hand to 97,000 bags of 70 kilograms each.

Small amounts of cocoa continued to arrive at the various ports in October but large quantities from the winter crop were not expected until November. Prospects are favorable for a winter crop of approximately 8,000 metric tons.

Producers are being paid \$5.75 per 50 kilograms.

COFFEE EXPORTS AND STOCKS, EL SALVADOR

Salvadoran coffee exports in the first 9 months of the 1943 calendar year increased 17.42 percent compared with exports during the corresponding period of 1942.

Stocks of coffee in the interior of the Republic and available at Salvadoran ports and at Puerto Barrios, Guatemala, on September 30, 1943, amounted to 12,480 bags of 60 kilograms each against 65,691 bags on September 30, 1942.

HAITIAN COFFEE SITUATION

The fiscal year ended September 30, 1943, was Haiti's best coffee year since 1938-39, so far as quantity of shipments is concerned. In value, the 1942-43 crop exceeded every crop since 1935-36.

High prices and good shipping facilities have enabled exporters to absorb the large carry-over of 12,066,249 kilograms (1 kilogram=2.2046 pounds) and move all but some 3,623,880 kilograms of 1942-43 coffee.

The carry-over of 3,623,880 kilograms into 1943-44, coupled with a crop estimated at 22,380,000 kilograms, indicates that 26,003,880 kilograms will be available for export in the 12 months, October 1, 1943, to September 30, 1944.

Fruits and Nuts

NIGERIAN PEANUT CROP

The groundnut-planting program sponsored by the Nigerian government has resulted in a 1943 crop of at least 32,500 long tons, according to the Director of the Nigeria Supply Board. This figure is 25,000 tons in excess of the goal set by the government earlier in the season, and is particularly gratifying inasmuch as the 1942 crop amounted to only 120,000 tons.

The average yearly crop for the 12-year period from 1930 to 1941 was 188,000 tons.

SOUTH AFRICAN RAISIN PRODUCTION

Production of raisins in South Africa in 1943 reached an all-time high of 13,635,639 pounds.

Dried-fruit production in South Africa varies from year to year according to the size of the crop and factors affecting

Axis Sunflower-Raisers Balky

Receiving little encouragement, and resenting Government restrictions and monopolies, the Rumanian farmer, says a recent foreign press statement, plowed only once in the spring and delayed hoeing. As a result, the sunflower-seed harvest was, inevitably, below average.

The average yield of sunflower seed was expected to reach a low of 800 kilograms per hectare. From a large area, the German-created company, "Solagra," hoped to secure 100,000 tons for exportable surplus after providing the Government quota for internal consumption of edible oils, continues the same source.

supply. This is especially true in the case of vineyard fruits, as producers of table grapes have the choice of selling them as fresh fruit, turning them into wine, or drying them for sale as raisins.

The production of raisins has been encouraged by the Cooperative Wine Growers Association, which has continued to pay a subsidy for grapes and sultanas produced during the past year, thus enabling farmers to secure better prices than they received prior to the war. Domestic and Overseas demands have continued strong for both raisins and sultanas.

Production of all dried vineyard fruits in South Africa has been increasing in the past 10 years, and production of sultanas has grown enormously within the past 5 years as the new vineyards along the Orange River have begun to bear and now have an annual output of about 5,000 tons.

Grain and Products

EGYPTIAN RICE SITUATION

Egyptian rice acreage in the 1943-44 season is estimated at 697,612 acres, compared with 682,761 acres in 1942-43, and production is estimated at 565,800 and 560,100 metric tons, respectively.

Consumption of rice in Egypt ranges from 250,000 to 300,000 tons annually. Figures showing 1942-43 consumption are not available, but it is believed that consumption was heavier than in the preceding year.

Egypt, however, is self-sufficient in rice, and there were no imports.

TURKISH GRAIN SITUATION

Revised estimates of Turkish 1943 cereal crops are as follows: Wheat, 4,000,000 metric tons; barley, 1,500,000 tons; rye, 350,000 tons; oats, 300,000 tons; corn, 750,000 tons; and rice, 35,000 tons.

Turkey's 1943 wheat production, which is 35 percent more than last year's crop, reportedly is particularly satisfactory and should amply cover domestic con-

"The Crimson Flower of Battle Blooms"

Artificial flowers were produced in large numbers in Austria and Czechoslovakia before those countries were disrupted by war. Now camouflage nets and mats are of prime importance, and flowers are practically forgotten.

One large factory, reports a foreign publication, collects tall Alpine grasses, cuts them into approximately 7½-inch lengths, and, after due processing, converts them into mats about 3 feet 2 inches by 32 inches. These are then fireproofed and made resistant to weather conditions and the influence of infrared rays. Under the "blitz" now being experienced by the blitz-originators, these products prove vastly more useful to the Nazis than any artificial flowers.

sumption and seeding requirements which are estimated at 3,500,000 tons.

Export of cereals is still banned, and local transactions on the Istanbul market ceased in June 1943 when a law prohibiting the importation of cereals by dealers into the cities of Istanbul, Ankara, and Izmir became effective. The Office of the Products of the Soil was appointed as sole supplier of these urban areas.

While it is reported that wheat is now selling at from 25 to 30 piasters per kilogram in Anatolia, black-market rates for this commodity in Istanbul are around 130 piasters per kilogram, and white flour is being sold at 200 piasters per kilogram.

ESTIMATED SOUTH AFRICAN WHEAT CROP

Barring unforeseen developments, such as wheat rust on a large scale, it is estimated that the South African 1943 wheat crop will be as large as the 1942 crop which yielded 5,557,157 bags of 200 pounds each.

Meats and Products

CANADIAN HOG PRODUCTION

Canadian hog production reached a new high this year, according to the foreign press. On June 1, 1943, there were approximately 8,148,000 hogs on Canadian farms—almost double the 1939 figure and more than a million head higher than on the corresponding date in 1942.

By provinces, the number of hogs on Canadian farms as of June 1, 1943, with increases as compared with the same date last year were as follows: Alberta, 2,337,700 (11.7 percent); Ontario, 1,885,600 (1.3 percent); Saskatchewan, 1,754,600 (32.4 percent); Quebec, 978,000 (13.9 percent); Manitoba, 877,000 (23.9 percent); New Brunswick, 94,000 (11.7 percent); British Columbia, 89,800 (9.5 percent); Nova Scotia, 65,500 (21.5 per-

cent); Prince Edward Island, 65,000 (12.5 percent).

CANADIAN CONSUMPTION OF MEAT

Canadian inspected slaughterings of hogs during recent months have been running 15 to 20 percent more than last year. By the end of November, when the peak of the season is passed, inspected slaughterings for the current 6-month period will probably reach 3,328,000 or about 18 percent above the corresponding period of 1942 when 2,805,000 hogs were slaughtered.

The following table shows per-capita consumption of meat and products in Canada for the years 1935 to 1942, inclusive:

[In pounds per capita]

Calendar year	Pork	Beef	Veal	Mutton and lamb	Edible offal	Lard
1935	39.2	55.5	10.5	5.9	(1)	3.9
1936	40.3	57.2	11.0	5.5	(1)	3.7
1937	41.8	56.6	12.8	5.6	(1)	3.4
1938	41.1	59.0	11.1	5.4	(1)	3.9
1939	43.6	56.0	11.2	5.4	6.0	5.2
1940	45.4	58.7	11.7	4.7	6.3	6.8
1941	48.5	62.5	11.9	5.2	7.0	7.4
1942	49.1	63.1	10.9	6.2	6.9	8.6

1 Not shown separately prior to 1939.

Sugars and Products

CANADIAN PRODUCTION OF MAPLE SIRUP AND SUGAR

Production of Canadian maple sirup and maple sugar declined about 29 percent this year, according to the Dominion press. The 1943 crop is estimated at 2,058,200 gallons of sirup and 2,416,000 pounds of sugar, or a total of 2,299,700 gallons when calculated as maple sirup, compared with 3,250,600 gallons in 1942.

The total value of the 1943 crop is estimated at \$5,750,000, a decrease of 14 percent compared with \$6,716,300 for the 1942 crop.

NEW SUGAR REFINERY, CHILE

A new sugar refinery began operation in Rosario, Chile, in July 1943.

The plant is said to be producing washed or yellow granulated sugar, but white granulated sugar will be produced later. When machinery becomes available loaf sugar will also be produced.

According to the managers of the new refinery, the quota of raw sugar assigned to the factory is 6,000 metric tons per year, but the firm believes it will be increased if production warrants such action. The raw material comes from Peru and is said to cost \$2.89 per 100 pounds f. o. b. port of origin.

In addition to sugar, the plant is equipped to produce alcohol.

Hardware

SWEDISH HARDWARE FIRMS REPORT INCREASED SALES

Sixty-two Swedish hardware dealers have reported to the Affärssekonomiska Forskningsinstitutet (Institute of Business Research) that their sales during the first 6 months of 1943 totaled 25,700,-

000 crowns (approximately \$6,120,000), an increase of 16.5 percent over the corresponding period of 1942. Sales in June were below those of June 1942, however.

Credit sales, made principally to building contractors, farmers, and manufacturers, were about 17 percent higher in the first half of 1943 than in the first half of 1942, and cash sales rose about 15 percent.

Iron and Steel

BULLOCK SHOES COLLECTED FOR SCRAP IRON IN INDIA

School children and Boy Scouts in Madras Presidency, India, collected 25,050 bullock shoes for scrap iron in February, 115,108 in March, and 131,994 in April, the foreign press reports.

JAPANESE PRODUCTION OF IRON TO BE INCREASED?

Japanese production of iron will be augmented, says a Japanese broadcast, by a newly patented method of dressing the iron sand which is said to be abundant on the shores of Japan. When dry sand is dropped on a disk revolving at high speed, the iron sand remains on the disk while the nonmagnetic matter scatters and drops.

Leather and Related Products

Hides and Skins

MARKET DECLINES IN ARGENTINA

Smaller demand from both exporters and domestic tanners resulted in a somewhat quieter salt-hide market in Argentina during September 1943. Curtailed slaughterings led to reduced supplies. Export demand for American dry hides was small.

Shipments of cattle hides during the first 8 months of this year declined by 21,000 tons—to a total of 71,200 tons, or a 23.3 percent drop from the relative period of 1942. Exports of sheepskins decreased by 2,500 tons, or 26 percent, to a total of 7,100 tons.

Lumber and Products

CANADIAN WOOD-CONSERVATION MEASURE

No new charcoal kilns or additions to existing kilns may be constructed in Canada, the British press announces.

This action has been taken by the Canadian Munitions and Supply Department to conserve wood for fuel, it is stated.

SITUATION IN SWEDEN UNIMPROVED

The forest industries in Sweden continue to present an unsatisfactory picture, according to Skandinaviska Banken in its review for the second quarter of 1943.

No improvement was shown in the first quarter of the year, it is stated. The lumber industry maintained production on the same reduced levels, but there was a serious decline in the paper and pulp group.

Swedish timber exports for January to June 1943 amounted to only 150,000 standards (1 standard=1,980 board feet), compared with 325,000 for the first half of 1942.

PLYWOOD MANUFACTURE, SOUTHERN RHODESIA

Plywood manufacture is expected to develop into a new industry in Southern Rhodesia, according to Rhodesian press reports.

Greater use of plywood and a cut in exports from South Africa have created a heavy demand for this material, particularly in the building and furniture trades. A satisfactory product can be made from local timber, it is stated.

The manufacture of plywood for aircraft will also be undertaken.

Naval Stores and Resins

INDIAN LAC SITUATION

Revised estimates place India's 1943 Baisakhi lac crop at 390,500 maunds (1 maund=82.2857 pounds), compared with a preliminary estimate of 402,000 maunds, according to Indian press dispatches.

In 1942 the total was 1,038,250 maunds and in 1941 it was 874,000. The difference is due partly to weather conditions and rainfall, reports state.

It is possible that the needs of the cultivators may lead to large-scale cutting of Ari-lac, which would leave little brood lac for katki propagation. The final determination depends on the type and extent of cutting and collection.

ROSIN PRICES INCREASED IN U. K.

New United Kingdom rosin prices, representing an increase of 2s. in all grades, denote the second change in values since price control was officially instituted in October 1941, the British press reports.

The first change occurred in June, 1943, when American gum rosin prices were increased 10s. per hundredweight and those of wood rosins by from 2s. to 8s. per hundredweight.

Turpentine values remain unchanged at 87s. per hundredweight.

Nonferrous Metals

EXPORTS FROM KENYA AND UGANDA

Exports of gold bullion in 1942 from Kenya amounted to 100,396 ounces, valued at £602,383; Uganda's exports totaled 11,016 ounces, valued at £73,103.

Uganda's exports of 444 tons of tin ore in 1942 had a value of £89,006.

DEVELOPMENTS IN JAPAN

Increased volume and value of aluminum production in the Japanese Empire was claimed by a Tokyo broadcast which reported that 95 percent of output

this year has a metal content of 99.3 percent, compared with 91 percent aluminum content in last year's output.

A group of mining engineers recently was sent by the Light Metals Control Association to Sakide City in Kagawa, Shikoku, to survey recently discovered deposits of bauxite. A 40-percent alumina content was reported.

Large new veins of chrome ore, reportedly averaging 50-percent metal content, have been discovered by a field party exploring in the Sarugun District, Hokkaido, according to a Japanese radio announcement. Exploitation of the new veins is planned by the Teikoku Mangane Mining Co.

Equipment, materials, and other facilities of closed gold mines in Japan are being shifted to war production and that which cannot be converted will be scrapped. The change-over was scheduled for completion in September.

An announcement was made that as a result of Japanese occupation of tin-producing areas, the price of tin had been reduced 48 percent, effective July 17, 1943.

IMPROVED PRODUCTION IN NEWFOUNDLAND

Improved production of copper, lead, and zinc concentrates is reported at the Buchans mine in Newfoundland, and movement of exports out of Botwood is being expedited as navigation at that port closes early in December.

NEW ZEALAND'S IMPORTS

Imports of pig lead into New Zealand in the first 5 months of 1943 were valued at £NZ25,623, compared with £NZ22,250 in the period from January to May 1942.

Under the classification of tin ingots, imports were valued at £NZ106,444 in the first 5 months of 1943 and at £NZ2 in the comparable period of the preceding year.

SOUTH AFRICAN GOLD PRODUCTION DECREASES

Gold production in Transvaal, Union of South Africa, in August 1943 totaled 1,059,932 fine ounces, valued at £8,903,429, representing a drop of 29,776 ounces and £250,118 from July output.

For the first 8 months of 1943, gold production reached 8,580,985 ounces, or a monthly average of 1,072,623, compared with a monthly average of 1,194,929 ounces in 1942.

At the end of August, native labor employed totaled 295,397, a decrease of 1,755 from the number employed in July.

Nonmetallic Minerals

MEXICAN GRAPHITE EXPORTS DECREASE

Decreased exports of amorphous graphite from the Guaymas District of Mexico are reported for the quarter ended September 30, 1943. Estimated stocks of 2,000 metric tons of graphite are available for shipment.

FLUORSPAR PRODUCTION, NEWFOUNDLAND

The two fluorspar mines at St. Lawrence, Newfoundland, are operating on a

full-time basis. One of the mines is reported to have the capacity for increased production when needed.

SHALE USED TO PRODUCE MOTOR FUEL IN AUSTRALIA

A motor fuel is being produced from extensive shale deposits in Australia, says the foreign press. The process involves crushing the shale, subjecting it to intense heat, converting the gas in condensers to crude oil, and refining the crude oil into motor fuel.

IMPORTS INTO NEW ZEALAND

The value of asphalt and bitumen imported into New Zealand from the United States was £NZ25,801 in the first half of 1943 and £NZ9,510 in June 1943, according to figures released for publication by the New Zealand Customs Department.

Salt imports into New Zealand in the January-May 1943 period were valued at £NZ56,211, which was more than double the £NZ24,984 reported for January-May 1942.

Oils, Fats, and Oilseeds

ARGENTINE LINSEED SITUATION

The second official forecast of areas sown to linseed in Argentina is placed at 2,426,000 hectares, a reduction of 1.9 per-

"Vain Fantasy"

Many of the Hitlerites show signs of having relinquished the idea that the Nazi Reich is going to endure "for a thousand years"—but the Japanese commercial planners are still talking "very big."

Nippon's Imperial Forestry Association, under the direction of the Ministry of Greater East Asiatic Affairs, will establish a school in Chiba prefecture to train workers "to develop the rich forest resources of the South Seas," says a recent Jap broadcast.

Fifty students, chosen from graduates of schools of agriculture and forestry, will be admitted the first year. The instructors will be professors from Tokyo Imperial University and experienced forestry experts. During the next school year, 100 students will be selected for training.

Particular attention will be given to research "intended to make Japan self-sufficient in pulp." After a year's training, students will be sent for practical experience to the experiment station established in North Borneo by the Imperial Forestry Association—say Tojo's men.

Similar institutions "will be provided to train agricultural and commercial personnel," the Japanese broadcast stated.

cent as compared with the crop figures for 1942-43.

Largely because of purchases by the United Kingdom, total exports of linseed from Argentina this year are thought to be about twice those of 1942. Small quantities were sold to Portugal and Sweden.

According to official sources, about 619,000 tons of linseed were on hand in September, about 100,000 tons of which were scheduled for shipment in October and November. Merchants in the interior of Argentina were unofficially reported to have been holding between 150,000 to 200,000 tons of linseed.

CANADIAN OILSEED PLANTINGS

Almost 20,000,000 pounds of sunflower seed and rapeseed have been harvested in Canada this year, states an unofficial report.

According to figures released by the Dominion Bureau of Statistics, approximately 360 growers in Ontario and Quebec planted rapeseed this year, and 1,000 planted sunflower seed in the western portion of the country.

STEARINE SHORTAGE IN EIRE

There is a shortage of stearine in Eire, according to official sources. In fact, farmers in certain country districts are reportedly without candles, which are their sole means of illumination. As a result, early milking and other farm tasks are extremely restricted.

JAPANESE CASTOR-BEAN PRODUCTION

A Japanese campaign was begun in 1942 to stimulate the planting of castor beans for manufacture of lubricants for airplane use, states the Tokyo radio. According to the same source, this year's harvests are expected to total 600 tons. From this amount, about 480 tons of lubricants may be extracted.

COTTONSEED DEVELOPMENTS IN PERU

The cottonseed-oil industry is the main contributor to the supply of edible oils in Peru, states a publication of that country. Though cotton production has decreased, the quantity of seed harvested in 1942 and crushed in 1942-43 has been

greater than that of the preceding season. Possibly this was caused by export bans and greater proficiency in transporting the seeds from remote areas to the mills. In 1941, 31,000 quintals of lard and cottonseed oil were exported from Peru.

The Government of Peru is encouraging growers to plant various oleaginous seeds so that an edible-fats supply will be more certain in the future.

More than 2,700,000 quintals, or three-fourths of all the cottonseed cake sold, were used for fertilizer. This was the first time, the product was used for that purpose.

For many years, cottonseed cake has been used for cattle feed but this year marks a new high for its utilization in that respect. Its protein content is said to be almost three times as great as bran; hence, the 220,140.64 quintals of cake used for cattle feed during the 1942-43 season substituted for more than 550,000 quintals of bran.

Paper and Related Products

DEVELOPMENTS IN SPAIN

With the exception of newsprint and paper for magazines, which are distributed by the National Syndicate for Paper, Press, and the Graphic Arts, free sale of paper and cardboard has been re-established in Spain. Manufacturers, wholesalers, and consumers are now at liberty to trade freely. This has been made possible by a return of Spanish paper production to more nearly normal conditions.

Orders for quantities of more than 500 kilograms of a single type may be placed direct with the manufacturers, who report them to the Syndicate. Each case is given individual attention by the Syndicate. The manufacturer is then obliged to fill the order at the price authorized and without any surcharge for the wholesaler; transportation costs are paid by the consumer. Paper for official services and public utilities is supplied through the Syndicate and is given preference in manufacture and delivery. Manufacturers are ordered to reserve as a minimum supply for this purpose 10 percent of their monthly production. The portion of this quota remaining at the end of the month may be disposed of in any way the manufacturer sees fit.

Paper, like other products in Spain, was sold to a large extent on the black market under the previous restrictions. Expanded production in recent years, coupled with concealment of production data, enabled manufacturers to furnish paper under the quota system at the same time. Production finally reached the point where many mills and wholesalers were no longer able to find sufficient outlets in the black market to take care of their surplus, with the result that stocks accumulated while black-market prices declined.

It is impossible to secure reliable statistical data regarding Spain's paper production. In 1935, however, the last

year which may be regarded as a normal year, Spanish paper output, because of adequate supplies of foreign pulp, was sufficient to satisfy ordinary domestic needs without utilization of the entire capacity of the mills. This lack of synchronization between output and consumption eventually led to organization of the cartel. Newsprint production, on the other hand, in recent years has not been sufficient to supply the domestic market, partly because the Spanish mills have been unable to obtain the necessary raw materials either in wood or pulp from domestic sources, and partly because of curtailment of mechanical-pulp imports from abroad. The best estimates place domestic newsprint production somewhere in the neighborhood of 17,000 metric tons a year. About 70 percent of the domestic output is processed from pulp obtained from wood imported from Portugal and approximately 25 percent from mechanical pulp imported mainly from Germany. The remainder, about 5 percent, is derived from domestic substitute materials.

Wood pulp for newsprint is distributed by the Syndicate under a system of quotas. The Syndicate likewise distributes imported newsprint to the mills. In buying this imported newsprint, the mills must pay a fixed price of 1,150 pesetas a metric ton, while the price at which the mills invoice their newsprint to the newspapers is fixed at 1,070 pesetas a metric ton.

In pre-war times, Spanish mills produced the wood pulp required for paper manufacture only in rare instances. Some pulp was produced by a large pulp and paper mill in northern Spain which utilized eucalyptus wood grown in its own forest and also imported wood pulp. The eucalyptus pulp, although unsuitable for paper manufacture because of its highly resinous content, is used when other woods are not available.

When the present war substantially cut off imports of wood pulp, Spanish mills were faced with the necessity of finding domestic sources of raw materials for paper manufacture, and nearly all mills had to install new equipment for pulp production. Basic raw materials consisted of rags, straw, esparto grass, and matweed, the latter two growing wild in several districts of Spain. In the early years of the war the supply of these materials was inadequate for the amount of pulp required. As a result the black market flourished, profits soared, and manufacturers were enabled to make extensive improvements in their plants and equipment.

The emergency manufacture of pulp, supplemented by small imports from Germany and the Scandinavian countries, thus has enabled Spain to meet the domestic demand, which has not been very large. At present paper mills are operating at only about 60 percent to 70 percent of capacity. The paper produced is estimated to consist of about 65 percent domestic materials and the remainder of imported pulps. Esparto grass and matweed are the preferred materials, since they produce a better-quality paper than that made from rags and straw.

A New Shell Game?

Large-scale collections of sea shells in the Macassar and other southern regions are being planned by the Japanese, according to press reports from that country. The shells are to be used in making buttons.

These areas are rich in various types of shells, including trocas, green snail shells, Flores, and mother-of-pearl. The present Jap plan is to shape the shells roughly into buttons in the areas in which they are collected, then ship them to Japan for finishing.

Before the war, Japan manufactured and exported large quantities of shell buttons.

Although Spain is apparently self-sufficient in most grades of paper, it is believed likely that there will continue to be a market for fine imported paper after the war, especially if price controls are removed. It is the general opinion, also, that in the post-war period Spanish mills will abandon the manufacture of pulp from esparto grass and matweed in favor of the cheaper pulp which will then be obtainable from the Scandinavian countries.

SWEDISH PULP SALES DECLINE

The decline in Swedish pulp sales during the first 6 months of 1943, as compared with the corresponding period of 1942, was attributed to a number of factors, one of which was the inability of many European countries to supply Sweden with commodities in return for pulp. Another reason was that good crops in 1942 cut down the demand for fodder cellulose. A suspension in safe-conduct traffic for nearly 4 months cut off pulp shipments to Argentina for that period.

Only 7 percent of the available amount of mechanical pulp was sold by Swedish mills during 1942 and in this year's quotas no provisions were made for that type of pulp. As Swedish paper mills cannot absorb the quantities formerly exported, the situation for mechanical-pulp manufacturers is far from satisfactory.

Pulp quotas established in the 1943 Swedish-German trade agreement were placed at 55,000 tons of rayon pulp and 44,000 tons of sulfate for the first 6 months of this year. Of this reduced quota, Germany bought all the rayon pulp stipulated, but only 75 percent of the sulfate.

Swedish exports to the Netherlands and Belgium were arranged for in Berlin in February 1943. A total of 18,500,000 Swedish crowns was allotted for Netherlands purchases and 11,600,000 crowns for Belgian purchases for the whole year. These amounts compare with 1942 allotments of 23,000,000 and 11,000,000 crowns, respectively.

PAPER USED AS LEATHER SUBSTITUTE IN SERBIA, YUGOSLAVIA

A special type of durable paper fashioned into links and trimmed with light metal is used in Serbia, Yugoslavia, as a leather substitute in manufacturing transmission belts, says the Axis press. The Office of Hides is said to have pronounced the paper belts satisfactory.

Petroleum and Products

CANADIAN PRODUCTION

Oil production in Alberta for August 1943 amounted to 826,191 barrels, compared with 846,635 barrels for August 1942. Average daily production for the two periods was 26,651 and 27,310 barrels, respectively. These figures include production of natural gasoline, which in August 1943 amounted to 1,165 barrels daily, processed from 66,997,000,000 cu-

bic feet of gas daily from four Turner Valley absorption plants.

Production of natural gas in Alberta in August 1943 amounted to 3,844,393,000.-000 cubic feet against 3,743,927,000,000 cubic feet in the comparable month of 1942.

Crude oil and natural gasoline stored in Alberta as of September 1, 1943, amounted to 444,095 barrels, an increase of 76,690 barrels compared with September 1, 1942 when 367,405 barrels were in storage.

Refined-petroleum stocks in Alberta on August 1, 1943, amounted to 1,097,502 barrels, a decrease of 109,858 barrels as compared with the corresponding period of 1942 when 1,207,360 barrels were in storage.

The gas-oil ratio in the wells in Turner Valley in August 1943 was 3,200,000 cubic feet per barrel as against 2,980,000 per barrel in August 1942.

SWEDEN PRODUCING OIL FROM TAR

Fair success has been achieved by the Swedish Government in its efforts to stimulate production of motor oil from tar for Swedish fishing vessels, and preparation of lubricating oil from stump tar, according to the Swedish press.

Production of motor fuel is not yet sufficient for the fishing vessels, but when the scheme for the construction of 20 so-called Skyllberg distilleries is carried out, the requirements of tar fuel for the fishing fleet are expected to be covered. Ten of these furnaces have already been completed and are in full operation. Production of lubricating oil, somewhat delayed at first, is now in full swing.

Large sums have been invested in these important industries. It is planned to investigate the possibility of an export trade after the war.

Railway Equipment

HUNGARIAN COMPANY BUILDS PASSENGER CARS

The Gyer-Sepron-Ebenfurt Railroad Co. of Hungary, has built three railroad passenger cars in its own workshop, states a foreign press item. Work has been commenced on 10 additional cars and expansion of the workshops is under consideration.

Rubber and Products

BOLIVIAN EXPORTS IN 1942

Bolivia exported 1,486 tons of rubber in 1942, according to a South American publication. Of this amount, 1,152 tons went to the United States and 329 tons to Argentina.

RUBBER ACTIVITIES IN COSTA RICA

Reliable estimates have placed the number of rubber workers in Costa Rica's most important rubber-growing area, the

Mexico's Salt Industry

Annual production of salt in Mexico averages 100,000 tons, of which 37,000 tons are used as industrial salt; the remainder is used as table salt, states the Geographic Bulletin of Mexico. Because of the low quality of much of the domestic product, some salt has to be imported. Per capita average consumption is 5.34 kilograms, although, in the interest of health, consumption should be 7.75 kilograms. Production by independent producers accounts for about 63.8 percent of the whole; cooperatives account for the rest. The cost of production, prices, and profit margins are higher for the independent producer.

There are many sources on the coast, in Sonora, Sinaloa, Colima, Tehuantepec, Campeche, Lower California, and other places--and in the interior in Salinas, Durango, Chihuahua, San Luis, and near Mexico City.

The producing areas are divided into zones by the Government. A central distributing organization, to which all producers belong, controls sales and movement of salt from one zone to another. Maximum prices in each zone are established by the Government; but market prices are in excess of the established prices. A tax of 35 pesos per ton is levied; a subsidy of 2 centavos per kilogram is paid to members of the distributing organization.

Opportunities for investment are found in the great resources, which now are worked largely by very primitive methods. Production may become more profitable as a rising standard of living increases consumer purchases, and as industrial expansion requires increased quantities of salt as raw material.

northern part of the San Juan River Valley, at about 400. Another 100 persons are working in the old-line area comprising the land surrounding a northwestern extension of the railroad.

To allow for further expansion of rubber activities, a large warehouse, which also will provide room for offices, and a rubber-washing mill are being installed in the city of Limon.

WILD PLANTS IN IRAQ INVESTIGATED FOR RUBBER-MAKING POSSIBILITIES

Certain plants growing in northern Iraq have been found to secrete a viscous rubber-like substance, according to the Arabic press. It has not yet been determined, however, whether or not the qualities required for rubber-making are present. Samples of the plants have been sent to the United States for examination and analysis.

An agricultural expert, who recently returned from the mountains of Kurdi-

stan bordering the Iranian and Turkish frontier, reported that the plants grow abundantly in some areas where the altitude ranges from 1,500 to 2,200 meters above sea level. The plants, average 2 or 3 feet in height and have silver-colored leaves and small yellow blossoms. The stalks, which are thick in proportion to their size, secrete a white viscous matter which turns dark red in congealing. Nomadic tribes, it is said, use this substance for bone-setting, treating of swellings and boils, surfacing of receptacles made of straw and shoes made of thread, and for chewing. It is possible to increase cultivation of these plants by seed-sowing at specified heights.

Scientific and Professional Equipment

IMPORTS BY NEW ZEALAND INCREASE

Surgical and dental instruments and materials imported by New Zealand during the first 5 months of 1943 were valued at more than twice the amount of similar imports in the corresponding months of 1942. Imports from January 1 through May 31, 1943, had a reported value of £NZ150,408, compared with £NZ65,739 from January 1 through May 31, 1942.

Imports of optician's instruments and materials also increased, totaling £NZ15,256 in the first 5 months of 1942, and £NZ17,810 in the corresponding period of 1943.

Shipbuilding

NEW BOAT LAUNCHED IN BRITISH COLUMBIA, CANADA

The first of a series of new boats to be built at the Forest Service Launch-Repair Station, Fraser River, British Columbia, was launched recently with appropriate ceremonies, the foreign press reports.



WANTED
For VICTORY
Waste Paper
Old Rags
Scrap Metals
Old Rubber
GET IN THE SCRAP
SELL TO A COLLECTOR OR GIVE TO A CHARITY

Official OWI Photo

Named the *Red Cedar*, this Assistant Ranger Patrol Launch with transom stern and pilot-house control is 34 feet long with a 9-foot beam. It is powered by a 25-35 horsepower Diesel engine, with electric starting and dry exhaust.

VESSEL OF IRON AND WOOD MANUFACTURED BY JAPAN

Completion by the Japanese Industrial Shipbuilding Bureau of a freight vessel made of iron and wood has been the subject of a Japanese radio broadcast. It is claimed that construction is simple, facilitating mass production, that repairs and replacements can be made with ease, and that high speed can be attained with "specially made engines." The new vessel is said to be superior in many respects to the wooden vessels formerly built, and also safer to navigate.

Special Products

LIBERIAN IMPORTS OF WATCHES AND CLOCKS

A total of 5,692 watches and clocks were imported by Liberia in 1942. Their value was reported as \$7,875.

Textiles and Related Products

ACTIVITIES IN SOUTHERN RHODESIA

Clothing factories in Southern Rhodesia are operating at capacity to supply clothing requirements of the armed forces. A new cotton-spinning mill has been placed in operation, with an installation of 3,000 spindles.

Sisal is being grown in the Sabi Valley, sponsored by the Government. Substantial orders for sisal twine are said to be on hand.

About 100 tons of sunn-hemp fiber are expected from this year's crop, and it is hoped to expand production to 1,000 tons next year. Decortication will be done on a new-type machine, designed in Southern Rhodesia.

Cotton and Products

DEMAND FOR COTTON THREAD IN EL SALVADOR

Textile mills in El Salvador continue capacity operations, but spinners have been unable to keep up with the hand-weaving industry's demand for cotton thread. Consequently the Salvadoran Committee of Economic Coordination is planning a rationing procedure for this product, under fixed ceiling prices.

Utilization of banana fiber in the manufacture of sacks is now being studied.

HAITIAN COTTON SITUATION

Estimates place the cotton harvest in Haiti, for the fiscal year October 1, 1942, to September 30, 1943, at 2,760,000 kilograms.

Haitian cotton is not grown on plantations, but is harvested from semiwild patches and brought to market in small quantities. It is ginned but not further

processed or manufactured. Consumption of ginned cotton is negligible as no textile mills are located in Haiti; however, around 60,000 kilograms are used yearly in the making of mattresses.

In the 11 months from October 1, 1942, to August 31, 1943, cotton exports totaled 1,559,744 kilograms, worth 1,632,045 gourdes, compared with 2,289,536 kilograms valued at 2,359,850 gourdes in the corresponding period of 1941-42. (1 gourde=20 cents.)

Cotton-textile imports in the first 10 months of the 1942-43 fiscal year were 2,009,755 kilograms with a value of 14,313,188 gourdes. In the corresponding 10 months of the preceding year, 2,133,059 kilograms, worth 12,760,911 gourdes, were imported. Previously, cotton manufactures have accounted for about one-quarter of Haiti's imports in value, but the proportion is expected to be higher this year.

Stocks of manufactured cotton goods are low, and there is reported to be a ready market for finished goods.

COTTON EXPORTS FROM PERU

In August, 3,814.7 metric tons of cotton were exported from Peru, making a total of 21,466.3 tons for the first 8 months of 1943. During the corresponding period of 1942, shipments aggregated 23,634.9 tons.

By the end of September, approximately 74 percent of this season's crop had been sold. Less activity was displayed on the market in September than in previous months.

PORTUGUESE MILLS CONTINUE PART-TIME OPERATION

In September, 1,000 tons of cotton were received in Portugal. This enabled the Regulations Commission to distribute to the mills approximately 90 percent of the June quota, thereby making possible continued part-time operations.

TURKISH COTTON SITUATION

Turkey's 1943 cotton crop is reported to be more than 20 percent below that of 1942. It is claimed that prices have not kept pace with rising production costs, causing growers to reduce their plantings. Unfavorable weather conditions further reduced the crop.

Cotton-textile plants had an average monthly output of 2,000,000 kilograms during the first 4 months of this year. This equals the average for the entire year 1942, although production in the first 4 months reached an average of 2,400,000 kilograms.

Miscellaneous Fibers

INDIA'S JUTE CROP

Final estimates of the jute crop in India's most important growing regions report 2,602,075 acres, with a yield of approximately 6,949,245 bales of 400 pounds each.

Plantings in 1942 covered 3,332,505 acres, producing 9,061,565 bales.

PERUVIAN FLAX EXPORTS

Reports from flax growers in Peru continue to indicate better harvest prospects than in the past few years.

Exports of fiber in August amounted to 110 metric tons, making a total of 2,030.8 tons for the first 8 months of this year.

Wool and Products

PIECE-GOODS DISTRIBUTION IN EIRE

Rate of allocation on woolen and worsted piece goods in Eire will remain unchanged during the distribution period which became effective on October 1, under the buying-permit system.

Permit holders will receive allocations for 3 months, representing one-twelfth of their purchases in 1940. Tailors and dressmakers will be given a weekly quota of two suit lengths if they purchased at least that much in 1940.

YARN PRICES INCREASED IN U. K.

Prices on nearly all grades of yarn, especially the finer counts, were raised in the United Kingdom early in October in an effort to compensate somewhat for higher operating costs on lower machinery activity.

Quotations on crossbred yarns were from a halfpenny to 4d. per pound higher, and botany qualities from a penny to 6d. higher.

Provisional sales of yarn increased, because manufacturers desired to cover cloth orders which they had accepted from designated clothing makers. Final contracts for utility cloth were brought out under the recent buying allocation. To qualify for an issue of raw-material rations, orders had to be placed by October 6. Large quantities of utility cloth were recently ordered by the Government.

URUGUAYAN WOOL MARKET

In September, 73.6 metric tons of wool were delivered to the Montevideo, Uruguay, market from the interior. This brings the total for the wool year (which ended September 30, 1943) to 60,934 tons, compared with 50,753 tons for the preceding season.

Exports of wool for the season from October 1, 1942, to September 30, 1943, totaled 103,605 bales; in the preceding year, 57,009 bales were shipped.

Little activity was reported on the wool market in September. Most higher grades had been previously disposed of, and little demand was shown for the lower grades still available.

Tobacco and Related Products

ARGENTINE PRODUCTION

Production of tobacco in Argentina for the 1942-43 season will be 14,917 metric tons as compared with 14,847 tons last year and the 5-year average of 15,926 tons, according to the second official estimate issued by the Argentine Department of Agriculture. The area planted to tobacco during the current season was estimated at 44,460 acres as compared with 53,870 acres last year and the 5-year average of 44,910 acres.

Corrientes, with an estimated production of 6,850 tons, or about 46 percent of

the total, is Argentina's most important producer. Salta follows, with 3,844 tons, and Misiones with 3,313 tons.

Six native ("criollos") types make up 12,184 tons, or 81 percent of the total. Production of foreign types during the current season is estimated as follows: Kentucky, 722 tons; Virginia, 952 tons; Havana, 227 tons; Maryland, 182 tons; burley, 44 tons; Bahia, 571 tons; Hungary, 7 tons; oriental types, 8 tons; others, 20 tons.

CANADIAN CONSUMPTION

Releases of cigarettes in Canada amounting to 919,360,000 during August 1943, showed a sharp recovery from the July figure of 820,512,000 and the June low of 775,000,000. September showed a still further increase in releases of cigarettes, but it is generally believed that Canada's cigarette consumption is becoming stabilized and that any further increases will be small.

A decline in consumption which started in April, when personal income taxes in Canada were placed on a pay-as-you-earn basis, ended in June, when for the first time in 8 years releases of cigarettes fell below the level of the corresponding month in the preceding year. Releases for the second quarter of this year showed an increase of only 15 percent over last year, as compared with an increase of 24 percent during the first quarter.

Improvement in the freshness of cigarettes appearing on the Canadian market in recent weeks is attributed to the use of glycol, a glycerin substitute which the Canadian Government authorized for all cigarettes a few months ago.

A notable scarcity of cigars in the Toronto district reflects the acute situation regarding cigar wrappers, which were formerly imported from Sumatra. It is said there is less than 2 years' supply of wrappers on hand in the Dominion.

Supplies of cigars selling from 16 cents up are available to wholesalers in limited quantities but the cheaper brands have gone off the market entirely.

Tobacco entered for consumption in Canada during September 1943, as shown in an unrevised statement issued by the Canadian Department of National Revenue, consisted of 2,262,955 pounds of cut tobacco, 298,021 pounds of plug, 77,136 pounds of snuff, 923,720,371 cigarettes, 16,472,106 cigars, and 291,407 pounds of Canadian raw-leaf tobacco.

Excise taxes were paid on 15,877,043 cigars in September 1943.

Post-War Foreign Markets for U. S. Drugs and Pharmaceuticals

(Continued from p. 4)

Brisk Development Possible

These five groups—vitamins, biologicals, medicinal chemicals, ethical preparations, and proprietary specialties,

Proclamation Authorizes Extension of General-Order and Bonded-Warehousing Periods

The President on November 4, 1943, issued a proclamation authorizing the extension of the 1-year "general-order" period and the 3-year "bonded-warehousing" period, at the expiration of which imported merchandise normally becomes subject to sale by the Government, as abandoned. This action was taken with a view to granting relief in numerous cases in which invasion by the Axis armies, allied shipping controls, or other trade restrictions resulting from the war have prevented or delayed the disposition of the merchandise contemplated at the time of importation. A number of these cases have been brought to the attention of the Department of State by the Governments of some of the other United Nations.

The proclamation empowers the Secretary of the Treasury to grant 1-year extensions of these two periods, upon certification by the Foreign Economic Administration that such action will not impede the war effort. Such extensions may be granted when either of the periods has expired since December 6, 1942, or will expire while the proclamation remains in effect, except in cases in which abandoned merchandise already has been sold.

Authority, under the proclamation, to make the extensions is granted only until the termination of the unlimited national emergency declared by the President on May 27, 1941, or until proclamation by the President that such extensions are no longer necessary, whichever is the earlier.

representing our total medicinal exports—if aggressively promoted, could total \$60,000,000 annually, or approximately three times our pre-war accomplishment. Such has been the tenor of our Latin American growth, which continues to involve one-half our current foreign sales. The remainder, representing our trade with the rest of the non-Axis world, is more than double pre-war and should likewise continue to grow. Even occupied Europe and the Far East, which were consistently expanding outlets, are destined to be more intimately introduced to our medicinal products during the coming period of relief and rehabilitation, and most of this trade could similarly be developed effectively if our industry displays a dynamic interest in it.

Proceeding on the basis of the foregoing deductions, and summarizing our prospects by continental areas, we should visualize as follows the magnitude of our

post-war goal in the drugs-and-pharmaceuticals field:

Latin America.....	\$25,000,000
Far East.....	25,000,000
Africa.....	4,000,000
Europe and Near East.....	3,000,000
Canada and United Kingdom.....	3,000,000
Total.....	60,000,000

On the basis of our past accomplishments in foreign trade in this field, such a figure seems staggering, but if we consider that our medicinal production will probably approach \$600,000,000 as a normal post-war achievement, it is not too much to expect that 10 percent will find outlets abroad through the aggressive effort of our world-conscious distributors.

Main Factors and Forces

It may reasonably be assumed that many readers of this present article have already read "Foreign Trade After the War" (issued by the Department of Commerce) which embodies a hypothetical projection of foreign trade in 1948. Therein, 1948 is assumed as the normal post-war year, and United States industry in general is informed that approximately \$33,000,000 worth of medicinal exports is our probable contribution to a \$7,000,000,000 export total. However, one may well repeat that this is merely a *hypothetical* projection, based on past relationships, and obviously could not involve adjustment to current progressive factors with which American manufacturers are familiar and which should materially increase our distribution. These factors include:

- (1) Our expanded introduction of medicinals abroad;
- (2) The inevitable impact of our research on world demand;
- (3) Our enlarged outlook as to market opportunity.

From knowledge of these factors, and of the character of the demand as well as the caliber of the men and organizations who are charged with furthering

T. W. Delahanty ("Latin American Markets for U. S. Drugs and Pharmaceuticals").—See the November 6 issue of *FOREIGN COMMERCE WEEKLY*.

Nathan D. Golden ("Latin America's Potentialities for Visual Education").—See the October 16 issue of this magazine.

this distribution, the present writer would have no hesitancy in advocating the goal of \$60,000,000, earlier mentioned. At present we are within striking distance of this larger figure in open markets and should be organized to expand our trade into occupied areas and retain it.

Those persons who may be inclined to be conservative, or doubt the possibility of realization, will cite the barriers of—

1. Health product approvals;
2. Trade-mark registration;
3. Exchange availability;
4. Language variations;
5. Therapeutic systems;
6. Socialized medicine;
7. Tariff restrictions;
8. Living standards;
9. Abnormal taxes;
10. Price ceilings;
11. Distribution-system difficulties;
12. Organizational limitations;
13. Import recommendations;
14. Promotional handicaps;
15. Government monopolies;
16. Foreign competition;
17. Local favoritism;
18. Profit controls;
19. Credit risks;
20. Labor laws—et cetera.

These are all real enough, but U. S. firms in this field are familiar with and have surmounted many analogous problems in our domestic market. Were those who are versed in international marketing accorded comparable support in their foreign efforts, they could be similarly successful.

The factors necessary for development abroad do not differ from the essentials for domestic merchandising. These are:

- (a) A specifically qualified organization;
- (b) A broad educational promotion program;
- (c) The highest degree of service.

Attitudes and Efforts Vary

At least half a dozen ethical houses now recognize these principles as requisites for foreign merchandizing and have set up subsidiary corporations to win markets abroad. In contrast thereto, some medicinal houses do not have even an export department or export agent.

On the other hand, some companies (particularly proprietary houses) with

noncompeting products have resorted to pool operations for this function—which set-up is virtually equivalent to a Webb-Pomerene corporation. In fact, there has likewise been localized production abroad through such a community of interest.

In pre-war years there was relatively little difference in total dollar value as between ethicals and proprietaries, but in the war period three times as much of the ethicals is exported. The success of the efforts of exporters of these products has been particularly manifest in Latin America—a wonderful tribute to their promotional ability. In fact, were it not for the virtually prohibitive cost of entering and registering their entire line of products in each of the 20 countries of that area, their sales could be double what they are at present. Even so, in the light of the plans and activities with which the present writer is familiar, it is not improbable that this envisaged status may be attained within the next 12 months.

Promotion, Service, Vital

Logically, one may then ask, why have *proprietary* remedies made little if any progress during the war period? Shortage of shipping was common to both, but proprietaries may be more dominantly liquids, and, furthermore, judgment as to essentiality may have slowed up the movement. On the other hand, the cost of trade-mark registration and health approval of proprietaries was insignificant compared with such burden on the ethical group. Another facet of the problem is: that ethical sales to Latin America have registered a fourfold increase during the war period, but have merely doubled to the rest of the world; whereas proprietaries were only double to Latin America and half what they normally were to our other markets. Evaluating all the variables involved, there would seem to be two factors that chiefly account for the difference in progress—namely, the more comprehensive *promotion* and *service* accorded by the ethical firms in general (though there are exceptions pro and con in both branches of the industry).

Educational promotion has been so productive in the United States that we should logically expect comparable results in foreign-market cultivation, and, as a matter of fact, our relatively sparse efforts have been so rewarded. Through this medium in the United States, we have broadened the sales of medicines from a curative to a preventive basis. Abroad, it is the exceptional country where even the curative need is satisfied—yet the same opportunity exists through detailing, news, motion-picture and radio advertising, distributor and trade-journal collaboration, and scientific research cooperation, to work toward United States standards.

Tell World of Achievements

The American ethical and proprietary producers, individually and collectively, have a story of accomplishment to re-



late which the rest of the world would welcome and be responsive to—for example, the story of how we have attained the lowest disease and death rate and the longest life span in the world. May the foreign peoples not aspire to the same status through their own facilities, supplemented by our system and by the products and service of the drugs-and-pharmaceuticals industry? Our enterprising suppliers are certain of this possibility, and the ethical houses, through institutional endeavors, and the proprietary firms, through more intimate methods, are striving toward this humanitarian outlook.

In this connection, they are not un-mindful of service in its fullest sense. No longer is it considered sufficient in most instances merely to have an agent in a country—he must have a widely dispersed organization of qualified salesmen, with adequate stocks available. Even the airplane must be resorted to for emergencies where the factors involved include, for example, technical assistance, a particular product, distance, or inaccessibility. Furthermore, when time or circumstances warrant, progressive phases of localized manufacturing must likewise be initiated. In fact, it is believed that through service and all that it connotes, barriers will no longer hamper such essential merchandizing.

Organization Key Factor

One may close this discussion with a summarizing thought. Commercial opportunity is an intangible thing. It depends upon at least three factors, in the following order—vision and initiative in organization; usefulness of the product; receptivity of the market. Organization, one feels, is the key factor—because it has the power of selection and action and should be able to surmount limitations as to either product or market.

In product and market determinations, statistics and economic factors are the tools with which one must work. In the final analysis, sales potentialities in such a field as this are a matter of the quantity and quality of population. Basic human needs have been the same since the dawn of civilization—food, clothing, housing, and health. The degree and manner in which they have been satisfied form the quality factor which indicates the progress of civilization in any place. In theory, therefore, world opportunity for export is inherent in the opportunity to cultivate demand among 2,000,000,000 people, for the purpose of contributing a basic product or service, designed to raise their standards of living.

Alluring Possibilities

Improving and maintaining the health of these billions through the introduction of advanced therapeutic practice is one of the most alluring of existing opportunities. Now, as never before, is presented to the world's medical profession and related business a timely challenge—and no country, certainly, is so well equipped and highly favored as is the United States to sponsor a salutary cur-

rent and post-war development in the field of drugs and pharmaceuticals.

Much of the pioneering has been done. Every nation has been a contributor. Much more *remains* to be done, however, if we are to be guided by the health standards subscribed to in the major industrialized centers, in contrast to those in the primarily rural, and particularly the primitive, countries.

Is the American industry inclined to embrace this opportunity? The Department of Commerce is ever ready to serve this industry whether its interests embrace such matters as agents, barriers, or market analyses.

If we in the United States do not accept this opportunity, our European competitors will welcome our inertia.

Latin America's Potentialities for Visual Education

(Continued from p. 8)

educational motion pictures, and none are distributed in the schools. The Co-ordination Committee for Honduras in cooperation with the American Legation puts on shows three times weekly in Tegucigalpa, using films furnished by the Coordinator of Inter-American Affairs. Most of these are of an educational nature.

Mexican Potentialities

There is no production of educational or commercial films in Mexico. However, a certain number of educational films have been brought in by various industries operating in Mexico, and some have been distributed through the American Embassy by the Office of the Coordinator of Inter-American Affairs. For the most part, the educational films are 16-mm films and are usually not shown in the regular motion-picture theaters but, rather, in clubs and recreation halls, as well as by sound trucks traveling through the country. Thus far the number has been very small, but there appears to be considerable interest on the part of the public, particularly when no admission is charged, for travel films and features showing the development of the war industries in the United States.

Comparatively little development has taken place in Mexico in the screening of 16-mm motion pictures. So far as is known, only the new General Hospital has any 16-mm equipment; it is using this for teaching medical and operating technique. No other hospitals, churches, schools, colleges, prisons, or other institutions of the Government are so equipped. This is not due to lack of interest, as the Government has made inquiries from time to time but for one reason or another has not been able to obtain any equipment. Educational institutions are particularly interested in the medium, but the Government cannot furnish them with the necessary equipment. It may be said, therefore,



that there is a potential market in Mexico for educational motion-picture services.

There are some 16-mm projectors, both silent and sound, in Mexico. One U. S. photo-supply company in particular (as well as one or two others to a lesser extent) has sold a number of kodascopes or 16-mm sound projectors. This is said to be amateur-type apparatus, and the supply of cameras and projectors is running low. There are not more than 50 silent equipments of this type in the city. The Cinematográfica y Comercial de Mexico has disposed of 16 sets in the past 5 years.

Occasionally 16-mm apparatus is assembled locally on special order, but such equipment is of doubtful performance.

There have been no developments in the showing of educational films in Nicaragua and no indications that educational institutions are contemplating the early use of such films for teaching purposes. There appear to be small immediate prospects for the sale of the 16-mm silent and sound projectors. There are relatively few projectors in the country, and virtually all of them are privately owned.

Showings in Panama

It is estimated that there are about 200 16-mm projectors in Panama and that practically all of these are silent.

The Educational Film Program of the Office of the Coordinator of Inter-American Affairs involves the distribution to the 20 Republics of Latin America of selected 16-mm films on a wide range of subjects. These are shown to audiences in schools and public buildings. In Panama the Embassy has given several such showings recently. The Embassy suggested to the Coordinator's Office some time ago that these educational shorts would reach a far greater audience in Panama (an estimated 18,000,000 a year) if the 16-mm films were "blown up" to

Latin American Exchange Rates

NOTE.—Averages are based on actual selling rates for sight drafts on New York, in units of foreign currency, per dollar with the following exception: Cuba—United States dollars to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to the dollar.]

Country	Unit quoted	Type of exchange	Average rate			Latest available quotation		
			1941 (Annual)	1942 (Annual)	Sept. 1943 (Monthly)	Rate	Approximate equivalent in U. S. currency	Date, 1943
Argentina	Paper peso	Official A	3.73	3.73	3.73	3.73	\$0.2681	Oct. 16
		Official B	4.23	4.23	4.23	4.23	.2364	Do.
		Bid	4.88	4.94	4.94	4.94	.2024	Do.
Bolivia	Boliviano	Free market	4.24		4.00	4.00	.2500	Do.
		Controlled	43.38	46.46	42.42	42.42	.0236	Oct. 26
		Curb	54.02	49.66	44.50	44.50	.0225	Do.
Brazil	Cruzireiro ¹	Official	16.50	16.50	16.50	16.50	.0606	Oct. 15
		Free market	19.72	19.64	19.63	19.63	.0509	Do.
		Special free market	20.68	20.52	20.30	20.30	.0493	Do.
Chile	Peso	Official	19.37	19.37	19.37	19.37	.0516	Oct. 23
		Export draft	25.00	25.00	25.00	25.00	.0400	Do.
		Curb market	31.78	31.75	31.70	31.80	.0314	Oct. 30
Colombia	do.	Free	31.15	31.13	31.00	31.00	.0323	Do.
		Gold exchange	31.15	31.13	31.00	31.00	.0323	Do.
		Mining dollar	31.35	31.13	31.00	31.00	.0323	Do.
Costa Rica	Colon	Agricultural dollar	31.15	31.13	31.00	31.00	.0323	Do.
		Controlled	1.75	1.75	1.75	1.75	.5714	Oct. 23
		Bank of Republic	1.76	1.76	1.76	1.76	.5682	Do.
Cuba	Peso	Stabilization Fund	(²)	(²)	(²)	(²)	(²)	Do.
		Curb	1.86	1.77	1.75	1.75	.5714	Do.
		Uncontrolled	5.85	5.71	5.63	5.65	.1770	Oct. 30
Ecuador	Sucre	Controlled	5.62	5.62	5.62	5.62	.1779	Do.
		Free	.88	1.00	1.00	1.00	1.00	Oct. 23
		Central Bank (official)	15.00	14.39	14.10	14.10	.0709	Sept. 30
Honduras	Lempira	Official	2.04	2.04	2.04	2.04	.4902	Do.
		Free	4.86	4.85	4.85	4.85	.2062	Do.
		Official	5.00	5.00	5.00	5.00	.2000	Oct. 16
Mexico	Peso	Curb	5.93		5.24	5.30	.1897	Oct. 23
		Official		333.00	333.00	333.00	.0030	Sept. 30
		Free	6.50	6.50	6.50	6.50	.1538	Oct. 30
Nicaragua	Cordoba	do	2.50	2.50	2.50	2.50	.4000	Do.
		Controlled	1.90	1.90	1.90	1.90	.5263	Oct. 23
		Free	2.31	1.90	1.90	1.90	.5263	Do.
Paraguay	Paper peso	Controlled	3.26	3.35	3.35	3.35	.2985	Do.
		Free	3.70	3.45	3.35	3.35	.2985	Do.
		Free						Do.

¹ Under law of October 6, 1942, the cruzireiro became the unit of currency, replacing the milrois. Since November 1, 1942, exchange quotations have been in terms of cruzireiros and centavos to the dollar.

² Established March 25.

³ For class 2 merchandise, 1.706; class 3, 1.87; class 4, 1.195.

⁴ For class 2 merchandise, 1.706; class 3, 1.775; class 4, 1.785.

⁵ July 24–December 31.

NOTE.—Special rates apply to automotive equipment and agricultural machinery imported from the United States into Argentina.

the 35-mm size for presentation at regular motion-picture theaters. Exhibitors would be only too glad to include them on their programs.

The Embassy has three 16-mm sound projectors which are used to show educational shorts in schools and public buildings under the Educational Film Program. In addition, Kodak Panama, S. A., has a 16-mm sound projector which is loaned out to interested groups. All other 16-mm projectors are not equipped for sound, and are privately owned.

There is no projection apparatus in schools or public buildings.

Paraguay Prospects "Fair"

Educational motion-picture films are not in use in Paraguay. Educational institutions are thinking along these lines, but nothing has been done so far. No schools or colleges use films for teaching purposes, and film libraries are not being maintained. There is one 35-mm sound projector in use and perhaps three 16-

mm silent projectors in the schools of Paraguay. No slide films are used in the schools, and the Government does not maintain film libraries nor does it produce films.

Prospects for selling films or equipment to educational institutions are fair. The schools might be interested if they had an opportunity to see films which met their particular needs from both the subject and the language standpoints.

Developments in Peru

In Peru there has been considerable development during the past 2 years in the showing of educational motion-picture films. The Government has created in the Ministerio de Educación Pública a bureau known as the Dirección de Extensión Cultural Artista, under which bureau is a section known as the Sección Radio Fusión y Cine Educativo. This bureau has issued some propaganda pamphlets with a view to encouraging visual education in Peruvian schools and colleges. This bureau has at its disposal a

sound truck, employing a full-time operator, which was presented to the Government by a petroleum company.

The Government, in cooperation with the office of the Coordinator of Inter-American Affairs, is now showing educational films in schools, colleges, clubs, and in the public squares of the principal provincial towns throughout Peru. The subject of employing motion pictures in school instruction as an integral part of the curriculum has been under discussion in Government circles for a number of years, but no definite, permanent program under Government direction has materialized thus far. There are no schools or colleges that maintain film libraries, but the Coordinator's Office will supply educational films upon request. It is estimated that there are about 400 35-mm sound projectors in use. So far as can be determined, there are seven 16-mm sound projectors in operation in Peru.

Silent 16-mm projectors are, with few exceptions, owned by private individuals. The number in service has been estimated to be about 400. Several mining companies, medical societies, and Government departments have purchased 16-mm projectors for the purpose of showing educational, industrial, and professional films. The number of 8-mm projectors in use is estimated to be about 250. Slide films are not used in Peruvian educational institutions. The only educational-commercial film made in Peru in recent years was one produced under the auspices of a petroleum company; this film was produced by an American company.

Few educational or documentary films are publicly shown, but there has been a tendency for some of the larger American firms to accompany their sales campaign in Peru with film presentations, and some progress has been made by the Government in the use of educational films in institutions of higher learning in Peru. Most of such films are of American origin and have relatively few propaganda implications.

Situation in Uruguay

Considerable progress has been made in Uruguay in the showing of educational films. About 4 films are shown each year on 35-mm stock by the Sección Cinematografía del Ministerio de Instrucción Pública, which has shown about 50 films since its establishment in 1922. Perhaps three films, on an average, are shown per year on 16-mm stock by Sección Cinematografía de Enseñanza Primaria y Normal. The University of Montevideo is the only institution in the educational field that uses films for instruction.

These institutions do not maintain film libraries, though small collections have been accumulated by the American Embassy and the British Legation. The Ministry of Public Instruction maintains a film library for motion-picture films.

Educational institutions are interested in the showing and development of visual education. Sixteen-mm projectors are used primarily in private homes.

Very few standard-sized projectors are to be found in schools, public buildings, or other locations. It is estimated that there are about 550 silent 16-mm projectors in Uruguay; there are 21 sound 16-mm projectors.

There is a potential market in Uruguay for the sale of motion-picture equipment and films to educational institutions. Inquiry in this regard should be directed to the Ministerio de Instrucción Pública, to the University of Montevideo, or to the American Embassy.

Venezuelan Outlook

The Venezuelan Ministry of National Education instituted, several years ago, a program for the showing of educational films in the schools, but, because of lack of funds, the program has never attained any substantial development. The work that has been done along these lines has been confined largely to Caracas and a few nearby States. So far as can be ascertained, no 35-mm or 16-mm projectors are in use by the Government. Schools do not have their own projectors. The Educational Radio Service of the Ministry of Education has, however, 12 16-mm sound projectors which it makes available, together with competent operators, to schools that are interested. Special showings for student groups are also given at some theaters in Caracas.

The Ministry of Education follows a policy of sending films to technical supervisors in the different States of the Republic who arrange for their projection with equipment provided by the State government.

It may be said that educational institutions in Venezuela are thinking along the lines of the possibilities offered by visual education, but that until the present time funds have not been available which would make possible the development on a fairly large scale of any such program. However, the Office of the Coordinator of Inter-American Affairs is carrying out a program of distribution of educational films as well as other types, together with projection equipment, to the various countries of South America. This program should materially enhance the interest in, and appreciation of, the opportunities afforded by educational films and should have a favorable effect on a possible market in Venezuela for such equipment after the war.

There are some slide projectors (for glass lantern slides) in several of the experimental schools in Caracas, but their use is not widespread in other parts of the country. No extensive film libraries are maintained by either the schools or the Government Educational Offices.

The Government has produced several educational, or documentary, films in Venezuela which were of good quality. These films, three in number, were produced in Venezuelan studios which have now shut down, and since then, no important documentary or educational films have been produced by the Government.

Many of the large American firms in Venezuela, representatives of American

Trade Mark Applications

Panama.—The following applications for trade-mark registrations were published in the *Gaceta Oficial* on the dates noted. Opposition must be made within 90 days from the date of publication.

Trade-mark	Commodity	Publication date
Cuartel Principal de Joyas, Casa Fastlich Jewelry Headquarters.	Commercial establishment.	1943 Oct. 25
Rubina.	Products used in medicine, pharmacy, etc.	Do.
Wintodon.	do.	Do.
Popola.	do.	Do.
Estaprol.	do.	Do.
Endwin.	do.	Do.
La Rojena.	Tequila.	Do.
Cuervo Especial.	do.	Do.
Dolopirona.	Products used in medicine, pharmacy, etc.	Do.
Dolapon.	do.	Do.
Dinaerin.	do.	Do.
High Grade.	Strong liquors—especially rum.	Do.

Argentina.—The following applications for trade-mark registration were published in the *Boletín Oficial* of October 19, 1943. Opposition must be filed before November 22, 1943.

Trade-mark	Class no. and Commodity
Kingston	No. 6—Entire class.
Kingston	No. 20—Entire class.
Aero.	No. 14—Entire class.
E Z.	No. 16—Entire class.
Super.	No. 18—Entire class.
Maxila.	No. 12—Entire class.
Multiplexutilol.	No. 22—Entire class.

Uruguay.—The following applications for trade-mark registration were published in the *Diario Oficial*, of Montevideo, on the dates noted. Opposition must be filed within 30 days from the date of publication.

Trade-mark	Product	Date of publication
Guernika.	Beverages.	1943 Oct. 25 to 30
Baskonia.	do.	Do.
Andal Lucia.	do.	Do.
Ada.	Industrial and agricultural machinery, transport in general.	Do.
Vectidan.	Drugstore and chemical products.	Do.
Livonal.	do.	Do.
Pristinal.	do.	Do.
Verotona.	do.	Do.
Glamour.	Perfumery and toilet articles.	Do.
Trianon (see enclosure).	Beverages.	Do.
Record.	Toilet articles and perfumery, soap, candles, matches.	Do.
Venus (see enclosure).	Stationery, paper, books, publications, etc.	Do.
Forest.	Drugstore and chemical products.	Do.
Avalex.	Arms.	Do.
Tonal.	Groceries, foodstuffs, etc.	Do.

Colombia.—The following applications for trade-mark registration were published in the *Diario Oficial* on the dates noted. Opposition to the registration of these trade-marks must be made in Colombia within 30 days from the date of the third and last printing.

Trade-mark	Commodity	Date of publication
Soundsciber.		Sept. 6, 1943 (second printing).
Tonico El Salvador.	Commercial name to distinguish medicinal wines and tonics, included in class 2, noted in Decree 1707, 1931.	Sept. 17, 1943 (first printing).
Pijao.	Commercial name to distinguish cigarettes, included in class 2, noted in Decree 1707, 1931.	Do.
Fabrica de Gaseosas La Princesa.	Commercial name to distinguish establishments engaged in the manufacture of soft drinks and those of a similar nature, included in class 14, noted in Decree 1707, 1931.	Do.
Quinaoformo, Lacroix, Suero Neutrotopo, Arlisquinaoformo, Pildoras Helenianas.	Commercial names for substances and products used in medicine, pharmacy, veterinary, science, hygiene, perfumery, and toiletries: drugs, mineral water, medicinal wines and tonics, included in class 2, noted in Decree 1707, 1931.	Do.

automobile companies, electrical companies, and the like, make extensive use of educational films, both motion and slide, in their programs of employee-training.

Coordinator's Work

The Office of the Coordinator of Inter-American Affairs has 182 16-mm sound projectors distributed in Latin America as follows:

	16-mm sound projectors	Mobile trucks
Argentina	6	2
Bolivia	2	—
Brazil	24	—
Chile	9	5
Colombia	7	10
Costa Rica	2	1
Cuba	10	5
Dominican Republic	3	1

	16-mm sound projectors	Mobile trucks
Ecuador	5	3
Guatemala	3	1
Haiti	2	—
Honduras	2	1
Mexico	15	26
Nicaragua	2	1
Panama	3	—
Paraguay	2	—
Peru	5	4
El Salvador	3	3
Uruguay	8	2
Venezuela	5	4

Paper shoes available to Norwegians are said to be far beyond the reach of the ordinary workingman's purse. Although of poor wearing quality, these shoes cost more than the best footwear available in pre-war times.

Mica Keeps U. S. War Machine Rolling

(Continued from p. 9)

especially sturgeons, and is used as an adhesive, for clarifying liquors, and for stiffening silks and linens. It has few properties in common with mica.

The discovery in 1892 of a method to make built-up mica gave the mineral its first important use. Thin films of it were placed together and held firm by shellac, but now a more permanent cement is also used. Such built-up sheets can be made into any size and then cut down for specific uses. Through built-up mica it was made possible to adopt standard designs for generators and motors.

Now a "Big Time" Mineral

The evolution of the electrical industry and of the internal combustion engine raised mica to the status of a big-time mineral, although the general public has never realized its importance. For a long time, telephone headsets and phonographs used mica. Then came the radio and the airplane to make new demands upon it. While high-grade mica kept the motors of automobiles and planes running, ground mica was placed in the tires to keep the tubes from being "pinched" by heat and friction.

Fully 90 percent of the best mica mined goes to the electrical industry. It is used both as straight insulation, such as separators for commutator bars, disks, washers, and bushings, and as a form on which to wind heating elements of iron for both industrial and domestic heating equipment. Even more important is its use for condensers where the best results can be obtained only from high-grade mica which has no flaws. An equally high grade also is used in radio tubes. Each tube requires two to four pieces of mica to hold the filaments upright and to keep the internal assembly rigidly in the center of the tube. Mica is the insulating material in transformers and the dielectric in condensers.

Oil may be the lifeblood of the war machine, but the heart of it is mica. Nature, which has aided men by generously placing oil in well-defined and usually accessible pools, has sternly refused to cooperate in its distribution of mica. And even more sternly, it has refused to help in the matter of producing substitutes. Only real mica can keep the war machine running.

Nineteen thousand Norwegian refugees are now in Sweden, and 7,000 of them are earning their own way by working "in forest, agriculture, industry, and road construction," according to an article in the Swedish newspaper, Dagens Nyheter. "The refugees offer a possibility for personal contact and a foundation for friendly Swedish-Norwegian relations that may be far more decisive for the future than theoretical political plans," the article commented.

U. S. Export Control and Related Announcements

Developments communicated to the Trade Controls Unit up to Tuesday, November 16, 1943.

No. 499—Current Export Bulletin No. 132

The Office of Exports has issued Current Export Bulletin No. 132 on the following subjects:

I. Mexico Export License Applications for Fourth Quarter for Automotive Repair Parts, Radio Receiving Tubes, Lamp Bulbs, Fountain Pens and Mechanical Pencils, and Farm Machinery

The Office of Exports will consider, immediately, export license applications for shipments to Mexico, for the commodities listed below, even if these applications are not accompanied by Mexican Export Recommendations at the time they are submitted.

Such applications should be submitted after the exporter has learned that the importer has already made, or intends to make, an application to the Mexican authorities for an Export Recommendation to cover the order.

Upon receipt, later, of the Export Recommendation it should be sent promptly to the Office of Exports marked with the number of the export license application to which it applies.

The commodities referred to are as follows:

1. Automotive repair and replacement parts.
 2. Radio receiving tubes.
 3. Incandescent lamp bulbs.
 4. Fluorescent lamp tubes.
 5. Fountain pens, pen points and holders, mechanical and wooden pencils, typewriter ribbons.
 6. Farm implements, and machinery.
- Application should be marked "Submitted in accordance with Current Export Bulletin No. 132" and are to reach the Office of Exports not later than December 31, 1943.

II. Overland Shipments No Longer Require Statement of Cargo Availability.

Exporters need no longer file a statement of cargo availability (Form OEW 138) with the Office of Economic Warfare in connection with exportations moving by overland route to certain Latin American destinations, as required by the provisions set forth in Comprehensive Export Schedule No. 12, page 141, Title C.

III. SP Export License (Project and Program) Procedures Revised.

A. TRANSPORTATION

Statements of cargo availability (OEW 138) for shipments of less than 2,240 lbs. are no longer required for exportations under SP licenses. Comprehensive Export Schedule No. 12, page 129, par. 6, is revised accordingly.

B. AMENDMENTS

1. SP Project License amendment applications are limited to three totalling not more than 20 percent increase above the approved value of the initial project license.

2. SP Program License amendment applications for maintenance, repair, operating and production requirements are limited to one a month but may include any quantities or values.

3. Exceptions to the limitations in items B 1 and 2 above may be specially authorized in advance when warranted or may be granted if a written statement attached to the application clearly and sufficiently substantiates a necessity due to an emergency or special circumstances.

4. Revisions in items B 1 and 2 above, effective December 1, 1943, modify Comprehensive Export Schedule No. 12, page 129, par. 7.

IV. Suggested Export License Application Limits for Automotive Replacement Parts for the First Quarter, 1944—Schedule B Nos. 7921, 7923.05 and 7092.

The Office of Exports proposes "Export License Application Limits" for the first quarter of 1944 under a procedure similar to that offered to exporters of automotive replacement parts during the third and fourth quarters of 1943, as set forth in Section E, page 106, Comprehensive Export Schedule Number 12. These "limits" represent figures beyond which applications for licenses to export automotive replacement parts to the South American republics involved may be, but are not likely to be, approved. The procedure for obtaining these suggested limits is available upon request to: Machinery and Equipment Division, Office of Exports, Office of Economic Warfare, Washington 25, D. C., Reference OE-4-4-LGG.

Exporters who have filed questionnaire Form 31-4305, giving 1941 export figures, will receive notification of application limits in dollars as soon as they are established for the first quarter of 1944. Exporters of automotive parts who have not supplied this office with 1941 export figures on Form 31-4305, should show, when submitting individual applications in the first quarter of 1944, their past export sales for 1941 for this commodity to the country of destination, so that the office may ascertain their application limits.

The suggested limits are offered to exporters as a guide in planning their work, and do not represent commitments from the Office of Exports.

Import Recommendations or other similar documents provided for under the Decentralization Plan will be required when filing license applications.

V. Changes in Procedure for Petroleum, Petroleum Products, and Related Products Under Middle East Program License.

The Combined Agency for Middle East Supplies has been authorized, effective October 30, 1943, to issue release certificates covering exportations of petroleum, petroleum products, and related products to destinations included in the Middle East Program License.



U. S. Department of Agriculture

No. M-1. Therefore, exporters should mail all such applications to the Combined Agency for Middle East Supplies, Hill Building, 17th and I Streets N.W., Washington 25, D. C. Sub-VI. Changes in General License

ject I, paragraph D-2 of Current Export Bulletin No. 126 (Announcement 493 in Foreign Commerce Weekly for October 16, 1943) is amended accordingly.

Commodity	Department of Commerce schedule B number	General license group, old	General license group, new	Effective date of change
Asbestos roofing	9696.00	62	K	Immediate.
Asphalt roofing	9693.00	62	K	Do.
Office Supplies, Miscellaneous:				
Typewriter ribbons	9395.00			
Mounted on spools containing steel or other CMP material.	9385.00	62	62	
Other, mounted or unmounted	9395.00	62	K	Do.
Fodders and Feed:				
Babassu cake and meal	1123.00	K	None	Nov. 18, 1943
Coconut oil cake and meal	1119.00	K	None	Do.
Copra oil cake and oil cake meal	1128.98	K	None	Do.
Cottonseed cake	1129.05	K	None	Do.
Cottonseed meal	1115.00	K	None	Do.
Dairy and poultry feeds, mixed (include calf manna)	1121.00	K	None	Do.
Feeds, prepared and mixed (include dried buttermilk), n. e. s.	1180.00	K	None	Do.
Feeds, n. e. s. (include apple pomace)	1185.00	K	None	Do.
Fish meal for feed	1199.00	K	None	Do.
Hay	1140.00	K	None	Do.
Hempseed oil cake and meal	1101.00	K	None	Do.
Linseed cake	1119.00	K	None	Do.
Linseed meal	1129.95	K	None	Do.
Oil cake, n. e. s.	1116.00	K	None	Do.
Oil cake meal, n. e. s.	1122.00	K	None	Do.
Oyster shells	1119.00	K	None	Do.
Soybean oil-cake meal	1129.98	K	None	Do.
Wheat feeds, bran, middlings, etc.	1152.00	K	None	Do.
Meat Products:	1124.00	K	None	Do.
Horse meat	1190.00	K	None	Do.
Textile Products:	0022.00	K	None	Do.
Neckties, cravats, mufflers and scarfs of all fibers	3928.00	K	None	Do.
Starch-filled book cloth	3914.20	K	None	Do.
Window-shade cloth	3913.00	K	None	Do.
Textile manufacturers, n. e. s. (include secondhand clothing, hat trimmings)	3999.00	K-17	None	Do.
Vegetables and Preparations:				
Olives (include green, ripe, stuffed, or pickled olives in bottles, cans, kegs, or barrels)	1252.95	K	None	Immediate
Vegetable Products, Miscellaneous:				
Corn flour	2811.00	K	None	Nov. 18, 1943
Wool manufactures:				
Bathing suits, wool, knit	3675.00	K	None	Do.
Knit wearing apparel, n. e. s.	3679.00	K	None	Do.
Overcoats, suits and pants, boys'	3680.98	K	None	Do.
Overcoats, suits and pants, men's	3680.05	K	None	Do.
Women's and children's clothing	3681.00	K	None	Do.
Wool or mohair manufactures, n. e. s.	3689.00	K-17	None	Do.

Shipments of the above commodities which are on dock, on lighter, laden aboard the exporting carrier or in transit to a port of exit pursuant to an actual order for export prior to the effective date of this change may be exported under the previous general license provisions. Shipments moving to a vessel subsequent to the effective date of change pursuant to ODT permit issued to such date may also be exported under the previous general license provisions.

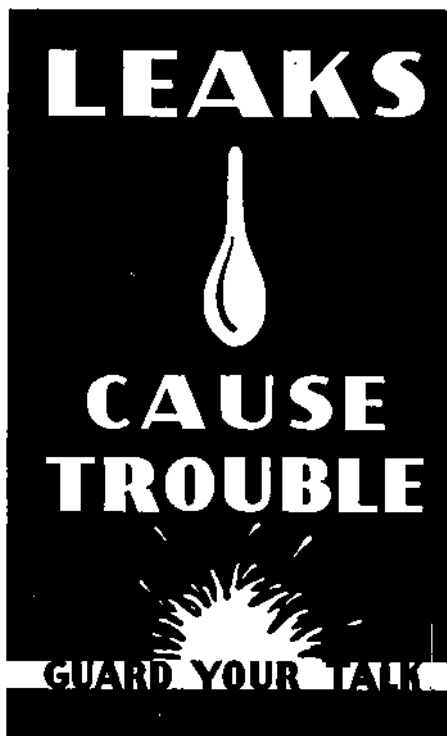
Import Control

No. 39—Amendment 2 to General Imports Order M-63, Deleting Wrist Chronographs from List I.

Amendment 2 to General Imports Order M-63 as amended September 23, 1943, issued by the War Production Board on November 11, and effective November 13, makes the following change in List I of that Order:

Removed from List I—Wrist chronographs, incorporating a watch movement in combination with a timer movement, having a pillar or bottom plate less than 1.5 inches in width, as defined in subparagraph 367 (h) of the Tariff Act of 1930 (N. S. C.).

Shortages of manila and sisal for marine rope and cordage have caused the United States Maritime Commission to undertake an extensive program of substitutions. Leading substitutes are wire, cotton, and jute, being used wherever possible for mooring lines, towlines, and other loading rigging. It is estimated that some 11,500,000 pounds of manila and sisal have been saved by the new program in 4 months' operations.



New Books and Reports

★ The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. *Please note:* The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Current Interest Appearing in the Department of State Bulletin November 6, 1943

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., for the price of 10 cents each; subscription price \$2.75 a year. The November 6 issue contains these articles:

THE TRIPARTITE CONFERENCE IN MOSCOW: Anglo-Soviet-American Communiqué. Declaration of Four Nations on General Security.

The Declaration Regarding Italy.

The Declaration on Austria.

Declaration of German Atrocities.

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION: SIGNATURE OF THE AGREEMENT AND FIRST SESSION OF THE COUNCIL.

PROCLAMATION AUTHORIZING EXTENSION OF GENERAL - ORDER AND BONDED - WAREHOUSING PERIODS.

ANNIVERSARY OF THE FOUNDING OF THE SOVIET UNION.

Other Publications

DEVELOPMENT OF FOODSTUFFS PRODUCTION IN VENEZUELA—AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND VENEZUELA EFFECTED BY EXCHANGE OF NOTES SIGNED AT CARACAS May 14, 1943. U. S. Department of State. 1943. Executive Agreement Series 333. 13 pp. Price, 5 cents.

Available from: Superintendent of Documents, Government Printing Office, Washington 25, D. C.

LABOR TRENDS AND SOCIAL WELFARE IN LATIN AMERICA 1941 AND 1942. L. S. ROWE and Pedro de Alba. 1943. 153 pp. Illus.

Available from: Pan American Union, Division of Labor and Special Information, Washington, D. C.

AGRICULTURE IN THE DOMINICAN REPUBLIC. L. S. ROWE and Pedro de Alba. 1943. American Agriculture Series No. 2. 27 pp. Discusses the geography and population of the Dominican Republic; its agricultural, social, and economic aspects; the war in relation to Dominican agriculture; and so on.

Available from: Pan American Union, Division of Agricultural Cooperation, Washington, D. C.

GARDEN ISLANDS OF THE GREAT EAST. David Fairchild. 1943. 253 pp. Illus. Price, \$3.75. The author, who has explored the world for plants which might be useful in this country, tells of his last expedition begun in 1940 to the Moluccas, the "Spice Islands" of antiquity, in search of new specimens.

Available from: Charles Scribner's Sons, 597 Fifth Avenue, New York, N. Y.

NEW ZEALAND: A WORKING DEMOCRACY. Walter Nash. 1943. 344 pp. Price, \$3.50. The author, New Zealand's Minister to the United States, presents a complete picture of modern New Zealand—its men and resources, its history and life, the nation at war, and its hopes for the future. Discusses also his ideas on world organization and reconstruction after the war.

Available from: Duell, Sloan & Pearce, Inc., 270 Madison Avenue, New York 16, N. Y.

Peru Increasing Food Output to Offset Import Losses

Peru, one of the principal hemisphere sources of minerals, is making strenuous efforts to increase its food production, partly to offset wartime import losses. Peru has been a sizable importer of foodstuffs and, like other Western Hemisphere countries, has experienced shortages of rice, meat, potatoes, and other staples. Part of its rice supply formerly was imported from the Far East.

However, expansion in rice production is one of the notable accomplishments of Peru's efforts to attain a larger degree of self-sufficiency in food production. Reports from Peru estimate 1943 rice-crop prospects at from 75,000 to 85,000 metric tons against 65,000 in 1942. Meanwhile, Peru has been studying possibilities of increasing rice acreage further in coastal valleys.

The immediate food-growing program is designed to increase quickly supplies of such items as fruits, vegetables, and beans and to provide corn for expansion of the livestock industry. A start also is being made on a longer-range program for expansion of meat and dairy industries.

Normally a producer mainly of oil, cotton, and minerals for the export markets, Peru never has been over-supplied with food. The country's mountainous terrain, with the transportation obstacles, has hindered large-scale growing of food crops.

A special agency known as the Inter-American Cooperative Food Production Service has been set up as a medium for cooperation with the United States in stimulating food production. The United States contributes financial and technical aid through the Institute of Inter-American Affairs, an agency of the Coordinator of Inter-American Affairs.

Besides requirements in mineral and defense areas, Peru has increasing need of food in the areas east of the Andes which are entering into development of rubber, quinine, and other strategic materials.

U. S. Foreign-Trade Figures, First 9 Months of 1943

United States exports amounted in value to \$9,197,000,000 during the first 9 months of 1943, exceeding the \$8,036,000,000 total for the entire year of 1942 by 14 percent, according to the Bureau of the Census, Department of Commerce.

For the fifth consecutive month, monthly exports exceeded \$1,000,000,000 in value, the September total amounting to \$1,233,000,000. The September total was second only to the peak month of July 1943 when exports totaled \$1,251,000,000 in value. The September 1943 total is 68 percent greater than the corresponding figure for September 1942, which showed exports valued at \$732,000,000. Export totals include Lend-Lease shipments to the United Nations, but exclude shipments to the United States armed forces abroad.

General imports (arrivals) for September 1943 amounted to \$280,000,000.

This was a decrease of 11 percent from the August 1943 figure of \$315,000,000, but represented an increase of 43 percent over the September 1942 figure.

General imports for the first 9 months of 1943 total \$2,438,000,000. This amount was only 11 percent less than the full-year total of \$2,742,000,000 for 1942.

The value of "imports for consumption" for the month of September 1943 was \$279,000,000, a decline of 9 percent from the August 1943 figure of \$306,000,000. The September 1943 total, however, represented an increase of 42 percent over the \$197,000,000 mark for September 1942.

"Imports for consumption" for the first 9 months of 1943 came to \$2,483,000,000, an increase of 27 percent over the \$1,954,000,000 total for the first 9 months of 1942, and only 10 percent short of the total for all of 1942, which was \$2,771,000,000.

Summary Figures on U. S. Exports and Imports for 1942 and 1943

Period	Exports		Imports	
	Total (including reexports)	United States merchandise	General (arrivals)	Imports for consumption
1942:				
January.....	\$481,463,000	\$475,205,000	\$253,546,000	\$255,046,000
February.....	479,993,000	476,357,000	253,600,000	239,592,000
March.....	627,603,000	621,574,000	272,190,000	252,109,000
April.....	716,774,000	709,077,000	234,870,000	223,604,000
May.....	535,652,000	529,701,000	190,791,000	191,674,000
June.....	648,224,000	642,832,000	214,746,000	199,706,000
July.....	649,926,000	645,009,000	213,210,000	209,249,000
August.....	703,090,000	696,245,000	186,323,000	184,766,000
September.....	732,014,000	725,896,000	196,033,000	196,755,000
October.....	801,382,000	794,258,000	199,750,000	223,409,000
November.....	786,860,000	780,753,000	168,079,000	186,715,000
December.....	873,145,000	864,966,000	358,787,000	407,417,000
January-December.....	8,036,132,000	7,961,773,000	2,741,934,000	2,771,344,000
1943:				
January.....	730,265,000	723,562,000	228,245,000	245,626,000
February.....	719,528,000	711,527,000	233,836,000	244,940,000
March.....	991,641,000	977,200,000	249,225,000	263,995,000
April.....	979,741,000	970,934,000	254,558,000	269,788,000
May.....	1,084,515,000	1,075,787,000	281,016,000	285,003,000
June.....	1,002,851,000	996,772,000	295,279,000	287,664,000
July.....	1,250,829,000	1,243,011,000	300,369,000	303,561,000
August.....	1,204,721,000	1,193,356,000	314,686,000	305,885,000
September.....	1,233,087,000	1,216,387,000	280,466,000	279,305,000
Cumulative totals, January-September:				
1942.....	5,574,745,000	5,521,898,000	2,016,318,000	1,953,803,000
1943.....	9,197,158,000	9,108,536,000	2,437,680,000	2,483,767,000

† Preliminary totals.

In a recent report to the Peruvian Congress, President Manuel Prado summed up the Republic's efforts in this program. Among the developments he mentioned are these:

1. New agricultural experiment stations are being organized.
2. Vegetable seeds, including seeds of some of the best types of vegetables from the United States, are being distributed at cost to small farmers. These include peas, beans, onions, and cauliflower.
3. A central nursery has been established to encourage fruit cultivation. Forty-four different types of grapes have been obtained from the United States Department of Agriculture to aid in the development of vineyards.
4. Extensive experiments have been carried out in the cultivation of dry land

rice. Cotton growers are being encouraged to switch acreage into rice. Peru, since the closing of the markets in Asia and Europe, has had a surplus of cotton but is short on rice.

5. Livestock is being improved by importation of prize strains. Zebu cattle from Brazil have been introduced and successfully crossed with native creole cattle. Zebu cattle are being distributed to livestock operators in the Amazon Valley.

6. Fish hatcheries have been established for the propagation of the Paiche, a fish common to the Amazon and its tributaries. It grows 4 and 5 feet long. Plans are under way for establishment of additional Paiche hatcheries in the Amazon Valley, in view of the value of the fish as a source of protein food.

DOMESTIC COMMERCE

An Official Publication of the Department
of Commerce, Washington



DOMESTIC COMMERCE, a monthly bulletin of the national war economy, brings to business the aids that are necessary in securing an understanding of the broad economic problems confronting the country. It provides authoritative information on the results of research on behalf of business, and broadcasts the policies and principles which should be seriously considered. Special articles by authorities in the fields covered appear in each issue, together with data showing industrial conditions as reported by the Bureau's specialists. Much information about Government that is of interest is included; activities of trade associations are covered, and a comprehensive list of new books and reports reviews material that is of particular interest to businessmen.



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STEEL PLANT
FOR BRAZIL

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Foreign Commerce Weekly

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Issued by the UNITED STATES DEPARTMENT OF COMMERCE, JESSE H. JONES, Secretary

THIS WEEK

Volta Redonda.....	3
Chile Looks Toward Bigger Coal Output.....	5
New Aspects of Mexico's Sugar Situation.....	6

DEPARTMENT OF COMMERCE

FIELD SERVICE

Atlanta 3, Ga., 603 Rhodes Bldg.
 Boston 9, Mass., 1800 Customhouse.
 Buffalo 3, N. Y., 242 Federal Bldg.
 Charleston 3, S. C., Chamber of Commerce Bldg.
 Chicago 4, Ill., 357 U. S. Courthouse.
 Cincinnati 2, Ohio, Chamber of Commerce.
 Cleveland 14, Ohio, 750 Union Commerce Bldg.
 Dallas 2, Tex., Chamber of Commerce Bldg.
 Denver 2, Colo., 566 Customhouse.
 Detroit 26, Mich., 371 New Federal Bldg.
 Houston 14, Tex., 603 Federal Office Bldg.
 Jacksonville 1, Fla., 425 Federal Bldg.
 Kansas City 6, Mo., 724 Dwight Bldg.
 Los Angeles 12, Calif., 1540 U. S. Post Office and Courthouse.
 Memphis 3, Tenn., 229 Federal Bldg.
 Minneapolis 1, Minn., 201 Federal Bldg.
 New Orleans 12, La., 508 Maritime Bldg.
 New York 18, N. Y., Room 1950, 500 Fifth Ave.
 Philadelphia 2, Pa., 1510 Chestnut Street.
 Pittsburgh 19, Pa., 1013 New Federal Bldg.
 Portland 4, Oreg., Room 313, 520 S.W. Morrison St.
 Richmond 19, Va., Room 2, Mezzanine, 801 E. Broad St.
 St. Louis 1, Mo., 107 New Federal Bldg.
 San Francisco 11, Calif., 307 Customhouse.
 Savannah, Ga., 403 U. S. Post Office and Courthouse Bldg.
 Seattle 4, Wash., 809 Federal Office Bldg.

News by COUNTRIES

Argentina.....	8	India.....	11
Brazil.....	8	Madagascar.....	11
British West Indies.....	8	Paraguay.....	12
Canada.....	9	Peru.....	12
Chile.....	9	Rumania.....	13
Costa Rica.....	10	Southern Rhodesia.....	13
Cuba.....	10	Tanganyika.....	13
Dominican Republic.....	10	Turkey.....	13
Ecuador.....	10	United Kingdom.....	14
France.....	11	Uruguay.....	15
French North Africa.....	11	Venezuela.....	16
Haiti.....	11		

News by COMMODITIES

Chemicals.....	18	Machinery, Other Than Electrical.....	22
Coal.....	18	Medicinals and Crude Drugs.....	23
Construction.....	19	Motion Pictures and Equipment.....	23
Cork and Products.....	19	Nonferrous Metals.....	23
Electrical Machinery and Equipment.....	19	Nonmetallic Minerals.....	23
Foodstuffs and Allied Products.....	19	Oils and Oilseeds.....	24
Hardware.....	21	Paints and Varnishes.....	24
Iron and Steel.....	21	Petroleum and Products.....	24
Leather and Related Products.....	21	Rubber and Products.....	24
Livestock.....	22	Shipbuilding.....	24
Lumber and Products.....	22	Textiles and Related Products.....	24
		Tobacco and Related Products.....	26

REGULAR DEPARTMENTS

United States Export Control and Related Announcements.....	28	New Books and Reports.....	30
Trade-Mark Applications.....	27	Pertinent Comments on World Economy Today.....	9
Latin-American Exchange Rates.....	29	Contributor's Column.....	30

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Volta Redonda—

Brazil's Big New Steel Plant Symbolizes The Country's Industrial "Coming of Age"

ACROSS 1,250 acres of once sandy pastoral land in the broad valley of the Paraíba River the decade-old dream of Brazil is coming true. That dream is the \$65,000,000 Volta Redonda steel plant, the giant symbol of Brazil's industrial coming-of-age.

Today, the rolling green hills around Volta Redonda, only 90 miles from Rio, reverberate with the clanking of metal and the hiss of steam-driven construction equipment. Thousands of Brazilian workmen, straw-hatted against the hot sun, are busy digging out foundations, pouring concrete, assembling and installing machinery, and, in general, hastening the completion of the biggest single industrial project in Brazil's history as fast as wartime conditions will allow.

To the Brazilian people who have eagerly watched the unfolding of this mighty technological drama, Volta Redonda represents much more than just a steel mill. It epitomizes in its long concrete walls, its towering stacks, and its complex machines the culmination of their hopes for changing Brazil from a predominantly agrarian nation to a modern industrial society. Volta Redonda alone could give additional power to the United Nations during this war.

Challenging Test

All the American republics are watching the Volta Redonda development, too, for it is a challenging test of industrialization in tropical regions. Social and economic theorists long have voiced the belief that heavy industry could "never come to the Tropics," but Brazilians, backed by American technical and financial assistance, are out to prove them wrong. And the results to date are satisfactory.

All of this, of course, is not to say that the mammoth Volta Redonda plant is ready to start producing its annual peak capacity of 350,000 tons of steel ingot tomorrow. Building anything new in the midst of mankind's toughest war is a difficult job at best, and an undertaking of the size and scope of Volta Redonda, far distant over hazardous sea routes from its North American suppliers of equipment, is just that much harder to complete. But progress is being made, and officials hope to have the big coke ovens with the war-vital byproducts plant in operation early next year and the whole project working by the end of 1944.

By *Lieut. Col. MACEDO SOARES E SILVA, Brazilian Army Engineer and Director of the Volta Redonda Steel-Plant Project*

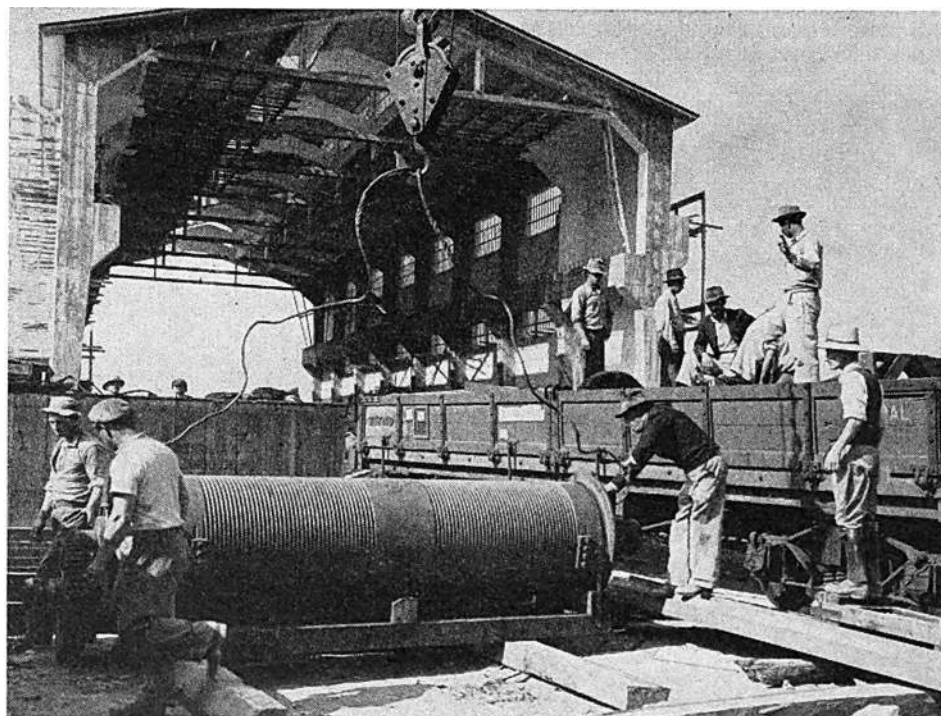
Startling Panorama

Entering Volta Redonda is like going into a new Brazil. Side by side with the sleepy, whistle-stop village of Volta Redonda, the plant forms a startling contrast of the modern world to the old. Along miles of tracks which crisscross the huge plant site, squat yard engines shuttle freight cars loaded with materials. Big, powerful locomotive-cranes lift tons of heavy equipment from car to building with featherweight ease, and heavy mechanized earth-moving equipment, rail-mounted, preparing additional building sites, sinks great steel jaws into the ground, pulling out vast amounts of dirt with each bite.

This is all new, exciting, challenging to

Brazilians. Never before in Brazil has there been such a large concentration of modern construction equipment in one place, and Brazilians have learned readily how to use their machines well. They have smoothed the land (already have moved an estimated three-fifths of the necessary 2,500,000 yards of earth), have laid foundations, erected many of the reinforced concrete structures, have broken ground for others. Lights blaze far into the night at the new water pump-house where engineers are rushing the completion of the drainage station before the high tides of the adjacent Paraíba River set in.

Unlike United States plants which are made of structural steel, Volta Redonda will be built of reinforced concrete, owing to Brazil's lack of steel. While this process takes considerably longer to build (incidentally, nearly all Brazilian buildings, including apartment houses, are made of reinforced concrete), officials expect to have all the concrete work, including the giant, mile-long rolling mill, finished within a year.



Machinery arriving at Volta Redonda plant.

Courtesy C. I. A. A.

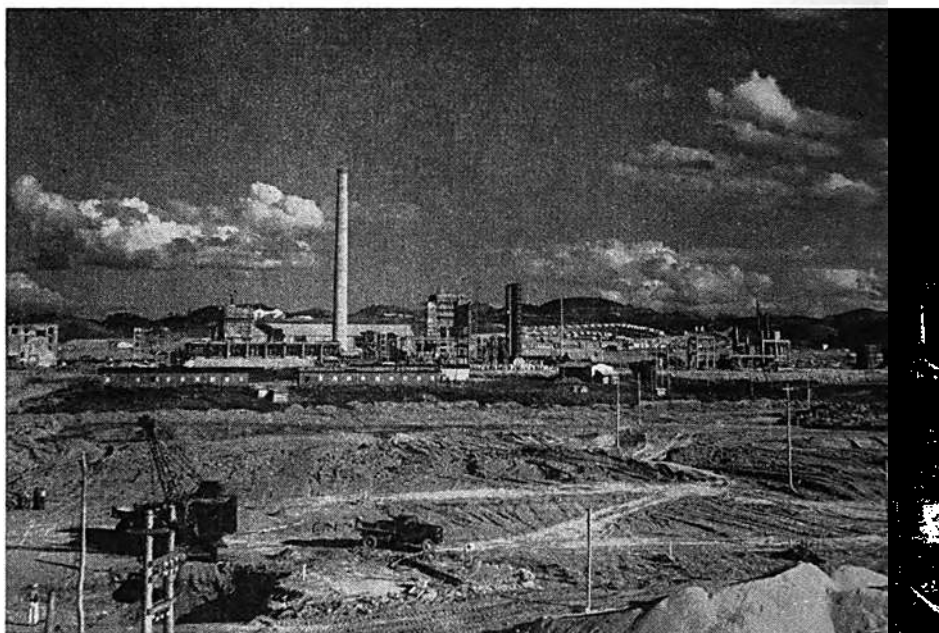
Powerful Influence

The United States is doing its share to help its Good Neighbor and ally, Brazil, fulfill its industrial ambitions. In 1940, the Export-Import Bank of Washington made available \$20,000,000 in credits for the purchase of equipment in the United States, and subsequently boosted this amount to \$45,000,000. Volta Redonda, started almost at the same time that war came to the Americas, has had to face the complications of total world conflict. Nevertheless, the Brazilian project has been accorded the highest possible priorities on equipment by the United States, American experts have been sent there to supply the technical "know-how," and cargo space has been allotted for regular shipments. But Hitler's U-boats have done their best to interfere with the program.

Undaunted, however, Brazilians are going ahead rapidly with their building. They are keenly aware of the powerful influence that Volta Redonda will exert in Brazilian life. They believe that heavy industry will usher in a new era of progress and productive knowledge, with an accompanying rise in Brazil's standard of living. Far-visioned, they look to generally improved social conditions arising from the plant's operation. At Volta Redonda today many of the project's estimated 14,000 workmen are getting medical and dental care for the first time in their lives at the small, but modernly equipped, hospital.

Workers' Community

Growing up simultaneously with the steel plant is a model workers' low-cost-housing community of 1,800 trim, brick and concrete houses. It is called Santa Cecilia, and it is complete even to a tiny 400-seat motion-picture theater. Ultimately, Santa Cecilia will house all of the 4,625 men and their families who will be needed to operate the plant. These mod-



Courtesy C. I. A. A.

Volta Redonda: General view of the construction—from the water pump station near the Paraiba River.

ern, sanitary homes, built by the company, will be rented to the workers at reasonable prices. Streets of the community are numbered like those in New York City. The main thoroughfare, for example, is called 33d Street, but 42d Street, unlike its famous Manhattan counterpart, will be a quiet, landscaped residential section.

One of the innovations instituted at Volta Redonda is payment by check. Workers heretofore have been paid in cash, but the company believes that check payment will acquaint the men with modern banking methods and induce savings. For the employees, the company has provided fields for "football," the favorite Brazilian soccer-like

sport. Fresh vegetables for the employees are grown in Victory gardens located behind the village, and herds of cows, grazing peacefully in the valley pastures, provide milk for the community which is delivered in little, horse-drawn carts.

Eye to the Future

Volta Redonda was designed with an eye to the future. Although initially the plan is to build only one blast furnace, provision has been made for the installation of three additional furnaces if the demand justifies, so that the mill ultimately could produce 1,000,000 tons of rolled steel a year. That is the long-range goal of Volta Redonda, but today's emergency has shifted the emphasis to the realistic task of finishing first things first.

Nearest completion now is the coke plant with its 55 rows of coking chambers. The plant is militarily important because of the coke, used in foundries, and its byproducts—toluol for TNT, xylol for explosives, benzol for motor fuel, and others. An 8-ton coke pusher, made in the United States, has been installed, and workers are carefully finishing the jig-saw-puzzle assembly of tons of odd-shaped refractory bricks. In one lift alone there are 137 varishaped bricks, and for the ovens a maze of 860 different shapes must be unscrambled and set in place by hand. All these special bricks, plus silica clay for the mortar, are coming from the United States.

Stimulates All Industry

Located on the main line of the Brazilian Central Railway between Rio de Janeiro and Sao Paulo (Brazil's Detroit), Volta Redonda, as the basic industry, will be able to furnish structural steel to shipbuilders in the Brazilian capital and

(Continued on p. 29)



Some of the homes in the village section of Santa Cecilia.

Courtesy C. I. A. A.

CHILE Looks Toward Bigger COAL Output

CHILEAN MINES now produce more than two-thirds of South America's coal, but Chile's growing industries are demanding more. With outside sources closed to some extent by the shortage of shipping, Chile is looking toward increased production from its chief semibituminous mines, Lota and Schwager, in the Departments of Lota and Coronel, in the central zone. Eighty-three percent of the semibituminous coal produced in Chile comes from this area.

In 1938, South America produced 3,339,000 metric tons of coal of this total, 2,044,000 metric tons were mined in Chile. While this quantity may seem small in comparison with world output of 1,469,000,000 tons in that year, and the quality is admittedly not the best, Chilean coal is important locally. Coal fills most of Chile's fuel needs, as no crude oil is produced in the country. Imports of fuel oil and Diesel oil in 1942 amounted to 4,493,845 and 379,660 barrels, respectively; imports in 1941 included 5,053,923 barrels of fuel oil and 345,942 barrels of Diesel oil.

Rationing Measures

Exploitation of the semibituminous coal deposits of Chile's central zone began as early as 1840 and kept pace with industrial development until January 1939, when one of the principal mines was damaged by an earthquake. In 1938 there had been a stockpile of 150,000 tons, or about 1 month's supply, but in 1939 supplies were so low that it became necessary to create a committee to ration coal. An explosion at the Schwager mine in March 1940 made the situation even more serious, and the Rationing Committee was forced to impose further brakes on consumption.

It is generally considered that the Rationing Committee (composed of representatives of the Ministry of Fomento, the principal coal producers, and consumers) has done a good job. Directed by decree to establish "maximum quotas for the sale of coal to different consumers," the committee meets once a month for this purpose. One of the most valuable functions of the group has been to meet emergencies by borrowing coal from one consumer to care for another's critical need until deliveries can be made by the coal companies. The railways have been called upon frequently to assist in this way, as they ordinarily have larger stocks than other consumers—

By CATHERINE B. WELCH, *Industrial Projects Unit, Bureau of Foreign and Domestic Commerce*

about a 7 days' supply. There is no appreciable amount of undistributed coal on hand at any time, as coal is loaded into cars and vessels about as fast as it leaves the mines.

Effects of Shortage

Chief domestic consumers are the State Railways, manufacturing plants, gas and electric industries, merchant marine, mining and metals industry, and the nitrate interests. Service has already been discontinued on a number of trains, and most private dwellings lack heat generated by coal. Large apartment houses in Santiago are supposedly kept at a temperature of 62° F., but actually they are colder, as the heat is cut off for a part of each day.

Copper-mining companies in the Santiago and Valparaiso areas have complained of the threat of dissatisfaction of workers resulting from a quota for heating which they say is only one-third of the absolute minimum needed. Further restrictions on consumption by industries would seriously affect the economy of the country and would necessitate the importation of essential goods now manufactured in Chile.

As one-half of Chile's electricity is generated from coal-produced steam, requiring an average of 500,000 metric tons a year, a commission has been appointed to reduce the consumption of electric power.

Production and Trade

Chilean production, imports, and exports of coal for 1938-42, inclusive, together with quantities rationed to industries in the past 3 years, are shown in the table below:

[In gross metric tons]

Year	Production	Rationed to industries	Imports	Exports
1938.....	2,043,738	.....	382	58,120
1939.....	1,850,237	.....	16	35,502
1940.....	1,933,618	1,844,408	220,856	32,175
1941.....	2,047,947	2,055,402	68,950	49,877
1942.....	2,150,836	1,952,089	18,918	86,446

Coal Beds Under Sea

Mining problems in Chile's central zone are complicated by the location of the coal beds under the sea. The average depth of the sea in this district is about 100 feet, and the coal seams are protected by a series of sandstone beds. Ventilation is a major problem: it is reported that the Schwager mine produces about 100,000 cubic meters of gas daily, and, of the 6,500 cubic meters of air circulated every minute, the returning air has a 1 percent gas content. The badly faulted condition of the seams adds to the mining difficulties.

The *Compañía Carbonífera e Industrial de Lota* (Lota Coal & Industrial Co.) which in September 1942 celebrated the 90th anniversary of its founding, owns and operates two mines, Lota and Curanilahue. These mines produce some 42 percent and 10 percent, respectively, of the total Chilean coal output. The Lota mine is located south of the city of Concepcion, and the coal now being mined comes from seams slightly more than 3 miles from the shore line under the sea; the seams extend almost 5 miles north to south. From three main shafts into the mine, coal comes from 22 sections; a fourth shaft is not yet in full operation.

Production of the relatively small Curanilahue mine, operated by the Lota Co., has shown great improvement since 1938. Composed of 7 sections, this mine is located some 30 miles south of the Lota mine.

Schwager Mine

South of the city of Concepcion on the Bay of Arauco is the mine of the *Compañía Carbonífera y de Fundición Schwager* (Schwager Coal & Foundry Co.). Extending about 1½ miles north to south, the seams of the Schwager mine are a little more than 6 miles from the shore line. Operations are through four parallel inclined shafts, placed close together, which extend on a dip of approximately 15 degrees to a vertical depth of 330 meters below sea level. Two of these shafts are used as air outlets from the mine, the other two as air intakes and as exits for the coal. The Schwager mine has eight sections in operation.

There are only two other mines of any importance in the central zone. Both are small, producing about 158,226 gross metric tons in 1942.

(Continued on p. 26)

New Aspects of Mexico's SUGAR Situation

Based on Report From the American Embassy, Mexico, D. F.

THE SUGAR SITUATION in Mexico has changed somewhat in recent months. At the beginning of 1943, with acreage increased nearly 10 percent, it was believed that there would be not only an adequate supply of sugar for domestic consumption but also an ample carry-over; however, because of weather conditions, labor problems, and insufficient agricultural machinery, this year's crop of sugarcane was not so large as last year's, though it was well ahead of any year previous to 1942.

Consumption Hits New High

Mexico's sugar consumption, as well as production, has increased to a great extent in recent years, and the 1943 consumption estimate of 479,500 short tons of refined sugar and 110,230 tons of "piloncillo," unrefined brown sugar, is the highest in the history of the country.

Annual per capita consumption is approximately 55 pounds as compared with 31 pounds in 1932 and 37 pounds during the period 1933-37. About 80 percent of consumption is in the form of refined sugar, and the remaining 20 percent is "piloncillo."

"Piloncillo" is a native product which has been used in Mexico for many years. It was a favorite article in the diet of the people before refined white sugar

was known to them, and, as it is cheaper than refined sugar, it is still consumed by the lowest-income groups.

Sharp Rise Noted

The amount of refined white sugar consumed in Mexico has risen from 108,000 tons in 1921 to an estimated 479,500 tons in 1943. During the past 10 years it has increased to a marked degree—the average for the 5-year period 1933-37 was 263,554 tons, and for the period 1938-42, 389,123 tons.

Refined sugar consumed by the general public in Mexico is of three types—first grade refined; a second grade termed "plantation granulated"; and a third, used in minor quantities, called "mascabado," which resembles the brown sugar known in the United States.

The increase in refined white-sugar consumption per capita in Mexico can be attributed to change in dietary habits, more adequate modes of transportation, and a possible increase in cash expenditures for food. It can also be described as due in part to the policy of the National Union of Sugar Producers in maintaining warehouse stocks in many localities—for, despite improvement in road transportation, many sections of the country are still almost isolated during the rainy season.

While there has been some increase in the consumption of "piloncillo," it has not kept pace with refined sugar. In the 5-year period 1938-42 approximately 107,000 tons of "piloncillo" were consumed, compared with an average of 69,000 tons during the preceding 5-year period.

Producers' Union

In February 1932, a union of sugar producers was formed under the name "Unión Nacional de Productores de Azúcar, S. A. de C. V." (National Union of Sugar Producers), which controls about 98 percent of the production of refined sugar in Mexico. It is a joint stock company composed of producers, who operate with Government representation. Prior to 1932, the sugar mills sold sugar wherever they could, and in consequence there were overlapping hauls and freight wastes. The Union takes possession of the sugar at the mill warehouses, and, from then on, direction is given to all movement and sale. Prices are fixed and freight rates equalized.

The Union's efforts to provide continuous supplies of sugar throughout Mexico at steady and uniform prices have met with success.

The Union does not control the production of "piloncillo," which is made by small producers in widely scattered locations and tends to be consumed close to the place of production.

Produced in Many States

Sugarcane is produced in varying quantities in nearly every State in Mexico. The States having the largest area cultivated to sugarcane, in order of importance, are: Veracruz, Sinaloa, Puebla, Tamaulipas, Jalisco, and Morelos. Since 1937 all these states have increased their production, the greatest increases taking place in Veracruz, Jalisco, Puebla, and Morelos.

Ranks Fourth in Value

In point of area, sugarcane crops seventh among all cultivated crops in Mexico, and it is fourth in value.

The area of land in Mexico devoted to the cultivation of sugarcane has increased from 86,520 hectares (hectare = 2.471 acres) in 1936-37 to an estimated 138,619 hectares in 1942-43, the largest area ever planted to that crop in any one year. The average in the 5-year period 1936-37 to 1941-42 was 104,434



American-made tractor in the sugarcane fields of Hacienda "El Mante" in the Xicotencatl district of Mexico.

hectares, slightly more than 35 percent larger than the average area of 76,413 hectares in the preceding 5-year period.

The production of sugarcane has likewise increased, but, because of variations in yield, the largest acreage has not always produced the biggest crop. The average production in the period 1932-33 to 1936-37 was 3,863,000 tons, as compared with the 5,762,000 tons in the 5-year period 1937-38 to 1941-42. The greatest production of sugarcane was in 1941-42 when it was estimated at 7,496,000 tons. This year's production, 1942-43, is estimated at 7,189,000 tons.

Although final estimates are not available, indications are that the yield of cane in 1942-43 will be about 47,050 kilograms (kilogram=2.2046 pounds) per hectare. This is about 14 percent below the 1941-42 record yield of 53,731 kilograms per hectare, but only 5.5 percent below the average yield for the period 1937-38 to 1941-42.

Yields of cane have been highest in the larger producing areas where growing conditions are more favorable and better methods of cultivation are used.

Percentages of Sugar Obtained

In Mexico, 100 tons of cane yield around 20 tons of sugar, about half refined and half "native" sugar.

The percentage of refined sugar ob-

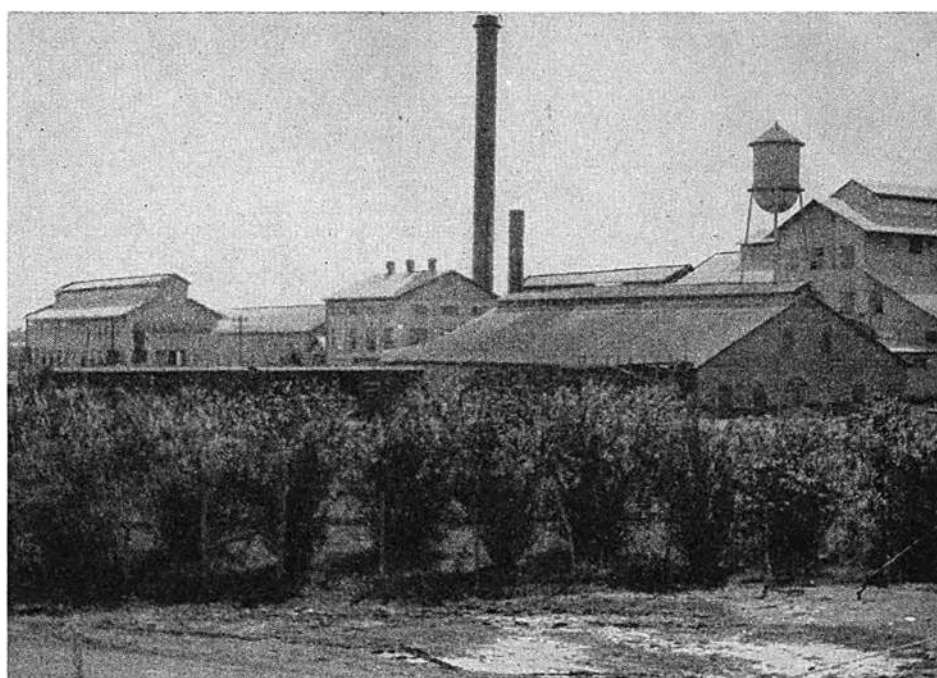
tained from an average of 5,762,000 tons of sugarcane by the Mexican sugar mills in the 5-year period 1937-38 to 1941-42

TABLE I.—Area, Yield, and Production of Sugarcane, Mexico, and Percentage of Refined Sugar and "Piloncillo" in Crop Years 1936-37 to 1942-43, Inclusive

Year	Area	Yield	Production of sugarcane	Percentage of refined sugar	Percentage of "piloncillo"
	Hectares	Kilograms per hectare	Short tons		
1936-37	86,520	48,585	4,471,488	8.63	9.27
1937-38	87,294	47,337	4,554,990	9.20	9.78
1938-39	93,672	48,638	5,022,068	9.46	9.99
1939-40	98,346	50,565	5,481,571	9.75	9.79
1940-41	116,300	48,817	6,258,166	9.22	9.80
1941-42	128,566	53,731	7,496,555	9.16	9.76
1942-43 ¹	138,619	47,050	7,189,297	9.53	10.00

¹ Estimated.

Source: Area, yield, and production of sugarcane from Dirección General de la Economía Rural, and percentage figures calculated from data compiled by that agency.



General view of Los Mochis sugar mill, Mexico

was 9.36. This was approximately the same as in the preceding 5-year period when average production was 3,863,000 tons. In general the trend has been upward, the percentage ranging from 8.54 to 9.75. These percentages are low compared with those obtained in the principal sugar-producing countries. During the 10-year period 1931-40 Puerto Rico averaged 11.37 percent and Cuba 10.5 percent.

The percentage of "piloncillo" obtained from sugarcane was slightly higher—about 9.82 for the 5-year period 1937-38 to 1941-42.

Percentages of refined sugar and "piloncillo" for the crop years 1936-37 to 1941-42 and the estimate for 1943 are shown in Table I.

Facts About Production

Refined sugar is produced by the large commercial sugar mills in the most important producing areas, while the greater portion of "piloncillo" comes from small mills in the smaller areas of production.

For the 5-year period 1937-38 to 1941-42, an average of 5,762,474 short tons of sugarcane were harvested per year. Of this amount, only 3,968,658 tons were used in producing refined sugar. The rest was used as follows: 1,097,442 tons for "piloncillo"; 696,374 tons for propagation stock, production of alcohol and "aguardiente," direct human consumption, and miscellaneous purposes. As production of sugarcane increased, the proportion for each of the above purposes has increased accordingly. The 1942-43 estimate indicates a total production of about 7,189,296 tons of sugarcane, including 4,764,236 tons used for making refined sugar, about 1,102,300 tons for making "piloncillo," and about 1,322,760 tons for miscellaneous purposes.

(Continued on p. 17)



Hacienda scene near Tepic, Nayarit, Mexico.

News by COUNTRIES

Argentina

Transport and Communication

Activities of Mercantile Fleet.—Argentina's State Mercantile Fleet, which was created in August 1941, has increased the number of its ships to 38, totaling 200,000 tons gross, reports a foreign transportation publication. Up to August 7 of this year, it is stated, the fleet had made 280 trips and carried approximately 1,500,000 tons of general cargo.

Brazil

Exchange and Finance

Exchange.—The exchange market in Brazil continued steady throughout September, and in view of the continuing excess of exports over imports, a plentiful supply of exchange was offered by exporters. All exchange requirements were readily met and some commercial banks sold exchange at rates lower than those quoted by the Bank of Brazil.

Income-Tax Law Revised.—By decree law No. 5844 of September 23, the income-tax law was revised. The principal changes related to increased taxation on individual and business incomes. The basic progressive rate on individual incomes of 200,000 cruzeiros (\$10,000) and above was increased, and an additional tax is to be applied for the years 1944 and 1945. The revised progressive tax, including the additional tax, ranges from 15 percent on incomes of 200,000 cruzeiros (\$10,000) to 30 percent on incomes of 700,000 cruzeiros (\$35,000) and above. The tax on profits of business enterprises was raised from 6 to 8 percent.

Tariffs and Trade Controls

United States Purchasing Commission and Official Entities Thereof Exempted From Stamp Taxes and State Export Duties and Industrial and Professional Taxes.—The United States Purchasing Commission in Brazil, and its official entities (Rubber Development Corporation, Metals Reserve Co., Defense Supplies Corporation, and Commodity Credit Corporation) have been exempted from the Brazilian stamp tax (on documents) and from the State export duties and industrial and professional taxes by circular No. 12 dated April 9, 1943, issued by the Ministry of Finance and promulgated in the *Diario Oficial* of April 12, 1943, Rio de Janeiro.

Fruit: Export Taxes Created.—The Brazilian Executive Fruit Commission has established export taxes on various fruits by resolution No. 3, dated March 19, 1943, published in the *Diario Oficial*

of March 25, 1943, Rio de Janeiro. The proceeds of these taxes will be deposited at the Bank of Brazil and credited to the account of the Commission.

The taxes on fruit destined for exportation are as follows: Lemons, 1 cruzeiro per export case; oranges, mandarins or tangerines, and pineapples, 0.50 cruzeiro per case; bananas, 0.30 cruzeiro per crate; pineapples, 0.25 cruzeiro per one-half case; and bananas, 0.20 cruzeiro per bunch.

The collection of these export taxes at Rio de Janeiro will be made by the Bank of Brazil on shipments authorized by the Commission and by the bank's agencies in localities where the Commission has established regional delegates, when the latter have authorized the shipment. No shipment will be permitted to be loaded without proof that the corresponding export tax been paid.

[See also FOREIGN COMMERCE WEEKLY of November 20, 1943.]

Brazilian Commercial Office Established in Paraguay.—The Brazilian Ministry of Labor, Commerce, and Industry

recently established a commercial office (*Escritorio de Propaganda e Expansao Commercial do Brasil*) in Asuncion, Paraguay. The office is located in temporary quarters, but the lease or purchase of quarters in the center of the city is planned, to which will move not only the newly created commercial office, but also the Brazilian Consulate, the Brazilian Steamship Co., and the Brazilian-Paraguayan Chamber of Commerce which is in the process of organization.

The functions of the commercial office are: To establish business contact between commercial and industrial firms of Paraguay and those of Brazil; to disseminate information on Brazil; to advertise Brazilian products; to intervene in commercial disputes concerning Brazilian firms; and to foster the closest possible commercial relations between Brazil and Paraguay.

British West Indies

Economic Conditions

SITUATION IN BARBADOS

The arrival of considerable shipping made possible the replenishment of stocks by local merchants in Barbados, and as a result business during September was better than during the preceding month. Provisions, drygoods, household articles, and one of the largest consignments of lumber ever to be unloaded in Barbados, arrived in the early part of the month. Even though a percentage of the goods were reloaded for other destinations, Barbados received a fair share. Notwithstanding these arrivals, stocks of many items are still limited, and banks report comparatively large balances by merchants because of their inability to make purchases abroad.

AGRICULTURE

As a result of the increased shipping, large quantities of molasses and sugar were moved. The new sugarcane crop throughout the island was smaller than usual at that time of the year but was expected to respond quickly to rains.

The cotton-growing season opened September 1, on which date applications for seed to plant almost 800 acres were received. It was estimated that further applications might bring the total planting for the year up to 1,000 acres. No boll weevil has been found for the past four seasons.

The spring crop of sweetpotatoes harvested during the month under review was sold as soon as it was offered.

Large acreages of corn were planted and under present conditions there should be no difficulty in marketing a large crop.

The Cover Picture



At Volta Redonda

Our cover picture this week serves to illustrate the feature article beginning on page 3. The scene is in one of the big new buildings at the Volta Redonda steel plant, an enterprise on which the Brazilian people are, with evident justice, placing sanguine hopes of national industrial advance. The machinery being placed in the building here shown comes from the United States, and, thus, as Lieut. Col. Soares e Silva emphasizes in his discussion, it represents an embodiment of the spirit of soundly based and mutually advantageous cooperation in this Hemisphere.

This photograph has been furnished by the Office of the Coordinator of Inter-American Affairs.

The Government cassava factory reportedly is well established, and flour for home consumption and livestock meal is being produced.

Canada

Tariffs and Trade Controls

Oranges Exempted From Special Excise Tax.—Oranges imported into Canada from countries subject to the general tariff rates are exempted from the special excise tax of 3 percent ad valorem which now applies to such imports by an order in council passed on October 28 and made retroactive to September 15, 1943.

It is understood that this action was taken to reduce the landed cost in Canada of oranges imported from Mexico.

Imports from the United States being liable to most-favored-nation treatment are not subject to the special excise tax.

[For previous announcement of the duty and tax-free entry of oranges from the United States, see FOREIGN COMMERCE WEEKLY of August 14, 1943.]

Animal Glue and Synthetic-Resin Glue: Separate Tariff Classifications Announced.—By an order in council effective November 1, 1943, two new Canadian tariff items are created, designated as items 231c and 231d. These cover animal glue and synthetic-resin glue, respectively, and thereby cancel the July provision for "glue, n. o. p." (item ex 232).

Animal glue will continue to be duty free when imported from countries entitled to the intermediate or British preferential tariffs and dutiable at 25 percent ad valorem and 5 cents per pound when imported under the general tariff.

Actually animal glue imported from the United States has been accorded duty-free entry in Canada since May 1942 under a series of orders in council which change either phraseology of an order or the tariff classification.

The exemption from the war exchange tax of 10 percent ad valorem, first announced in the original order establishing the duty-free concession, is continued in this latest order.

Synthetic-resin glue was not separately classified in the tariff previous to the above order. The ad valorem rates under the newly established item are 20 percent on imports from the United States and other countries subject to the intermediate tariff, 15 percent under the British preferential, and 25 percent under the general tariff.

Imports of synthetic-resin glue are not exempted from the war exchange tax.

Transport and Communication

Operations of National Railways.—Operating revenues, operating expenses, and net revenue for the whole system of the Canadian National Railways were higher in August 1943 than in August 1942.

Figures for these two periods and also for the first 8 months of both years are shown in the following table.

Period	Operating revenues	Operating expenses	Net revenue
August 1942	\$34,419,000	\$26,241,000	\$8,178,000
August 1943	39,687,000	30,625,000	9,062,000
First 8 months 1942	236,967,000	183,038,000	53,929,000
First 8 months 1943	290,003,000	227,310,000	62,693,000

Chile

Exchange and Finance

Large Budgetary Deficits for 1943 and 1944 Indicated.—In a recent appearance before a budgetary committee of the Chilean Congress the Finance Minister estimated a deficit of 570,772,000 pesos in the current year's operations, and of 952,725,000 pesos for 1944. At the end of 1942 the accumulated deficit, consisting of unfunded obligations, amounted to 673,489,000 pesos. Added to the expected deficit for 1943, the accumulated deficit would total 1,244,261,000 pesos. However, certain revenues from copper

taxes are expected to reduce the deficit by 323,000,000 pesos—to 921,261,000 pesos.

With revenues at 3,469,609,000 pesos and expenditures at 3,707,198,000 pesos, the budget for 1944 as presented to Congress on August 3, 1943, showed a deficit of 237,589,000 pesos. However, based on his opinion that receipts from customs duties were overestimated and that expenditures would be increased by the passage of laws approving expenditures without providing additional revenues, and other factors, the Minister estimated 1944 receipts at 2,991,473,000 pesos, and expenditures at 3,944,198,000 pesos. Thus the expected deficit for 1944 is equivalent to about 32 percent of estimated revenues. The Minister expressed concern over the annual deficits and indicated that remedial measures are under consideration.

Transport and Communication

Train Service Augmented.—Some alleviation of the transport situation in Chile has been brought about by plac-

Pertinent Comments on World Economy Today

[Being one of a series of excerpts from books, pamphlets, and speeches]

Uncertainties and Fears—and Basic Means of Combating Them

Let us examine realistically some of the questions which are causing uncertainty and fear in the minds of people in this country and in the other American Republics. In the wartime expansion of production and employment, corporate incomes and the earnings of labor have increased to a record level. Our national income has risen to an annual rate of about \$150,000,000,000. This compares with a national income of under \$85,000,000,000 in 1929, at the peak of business activity in the decade of the 20's. We recognize the unprecedented level of production that has been attained; aluminum from 327,000,000 pounds in 1939 to a rate of 2,000,000,000 pounds for this year, airplanes from 5,000 in 1939 to over 80,000 this year; and shipping from 341,000 tons in 1939 to over 19,000,000 tons this year. We recognize, furthermore, that most of this tremendous war program is being sustained with borrowed money; that our national debt already has climbed to around \$165,000,000,000; and that we will end this war as the greatest creditor nation the world has ever known. . . .

In the other American Republics, the problems are different. Yet the fears and uncertainties in the minds of those who ask these questions are just as great, if not greater, than in the United States. The war has caused many dislocations and hardships in our neighboring republics. They have accepted the dislocations and hardships of war with the same uncomplaining spirit of sacrifice that our own people have shown in the United States.

The other Americas, as part of their contributions to victory, have stepped up production of strategic and critical materials for United States war industry. Because of the shortage of shipping and the concentration of industry upon war production, these countries are unable to get many of the goods they need and normally import in large volume. As a result, the balance of their trade is impaired; they have increasingly large balances of foreign exchange; in some areas there are unusually high levels of employment, and unemployment in others; they have difficulties in maintaining transportation and obtaining food and other essential supplies. All these factors contribute to higher costs of living and to inflationary pressure. . . .

Of necessity, joint action between nations in wartime is largely action on the part of the government. But after the war, the major burden of cooperative action in the development of the hemisphere will rest upon the initiative, the imagination and drive of individuals and private groups throughout the Americas. This initiative can only operate within the framework of government policies designed to encourage and protect freedom of enterprise, of property, of labor, and to prevent abuses and unfair practices. To make this possible, governments must, individually and jointly, take action in the field of currency stabilization, trade agreements, assistance in international finance, development of public works and social services.

(From a recent address by Nelson A. Rockefeller, Coordinator of Inter-American Affairs.)

Argentina Needs More People, Editor Maintains

The Director General of Statistics of the Treasury Department of Argentina reports that, on December 31, 1942, the population of that Republic stood at a little over 13,700,000.

This is not much more, comments an Argentine editor, than the population of 1914, despite the fact that marriages have increased; the death rate has also increased, while births have fallen.

For a nation of 2,800,000 square kilometers, says this editor, this is not a very great population, especially as 6,000,000 of the inhabitants are in the city of Buenos Aires and the Province of the same name. At least 10,000,000 of this total population, it is pointed out, are *city dwellers*—leaving only 3,700,000 for the vast stretches of open land.

ing in service two additional trains operating weekly between Valdivia and Loncoche and Valdivia and Osorno. State Railway authorities initiated this service on September 13, 1943.

Costa Rica

Economic Conditions

Business continued active in Costa Rica during September as a result of the arrival of imports of building materials and other commodities to meet the country's most pressing needs. The greater quantity of merchandise available to purchasers also had a favorable effect on the general price level, forcing it downward still further. Because of measures taken to relieve the cargo congestion of last month at the port of Limon, imported goods have been reaching consumers with less delay. The shift of large numbers of agricultural laborers to work on the Inter-American Highway, because of the inducement of higher wages, has been largely responsible for deficient domestic production of the food staples—corn, beans, and rice—necessitating imports from other Central American countries.

Construction in general proceeded at a rapid rate. It was announced that work on the Pioneer Military Road would be stopped, and, although the termination of the large pay rolls and local purchases of supplies in connection with this road will undoubtedly cause a reduction in purchasing power as well as some unemployment, it will at the same time remove a major cause of inflation in Costa Rica and release workers for agricultural production. Construction on the Inter-American Highway will continue.

AGRICULTURE

The coffee and banana industries, on which the Costa Rican economy depends,

are reported to be doing well. Of the coffee exported in August, nearly all went to the Canal Zone and the remainder to the United States. Total coffee sales for the quota year to August 31, 1943, represented a considerable increase over the corresponding period of 1942.

Banana exports dropped in comparison with the preceding month, but far exceeded September 1942 figures. These monthly fluctuations, however, are largely accounted for by the availability of shipping space. The industry is reported to be in good condition, although somewhat handicapped by a lack of formaldehyde for spraying purposes.

The cocoa industry still suffers from the effects of the spring storms and floods which caused the destruction of a large part of the crop and resulted in a marked decrease in exports. It is feared that the industry will not recover from the result of these conditions until the new crop begins to ripen in March 1944. Shipments to the United States have almost ceased, temporarily at least, because of the higher prices obtainable for cocoa in Colombia and Mexico.

The thirteenth fruit and vegetable shipment to the Canal Zone by the Institute of Inter-American Affairs was made early in September, bringing the total amount shipped to the Zone to more than 2,000,000 pounds. The abaca plantations of the Compania Bananera de Costa Rica are reported to be progressing well.

COST OF LIVING

Wholesale prices dropped still further in September, the general index being 166.89, compared with 169.76 for August and the peak index of 190.07 for May. The general index of the cost of living also continued to decline, standing at 167.16 for September in comparison with 169.20 for August, 172.76 for July, and 179.15 for June. The most significant decrease was in food prices.

LABOR

The new labor code went into effect on September 15, Costa Rica's national holiday. Since that time a few minor strikes have taken place, but the difficulty appears to have been due largely to a lack of understanding that the code does not afford protection to workers who go on strike without having first complied with the code's provisions concerning prior conciliation and arbitration of disputes. Pending the issuance of specific regulations, the Government may deal by decree with questions concerning interpretation of the code, until December 31, 1943.

Cuba

Tariffs and Trade Controls

Cardboard: Drawback of Import Duty Allowed When Imported for the Manufacture of Containers for Exporting Cuban Products.—Imports into Cuba of cardboard for use in the manufacture of containers for packaging Cuba's export products in general, have been declared subject to Cuban customs drawback of import-duty provisions, ac-

cording to Presidential decree No. 2848 published in the Official Gazette of October 4, 1943.

To receive the benefits of the drawback, importers must make a sworn declaration that the cardboard was converted in Cuba, and that the containers were exported within 6 months and contained products of Cuban agriculture or industry.

[The drawback provision on cardboard was previously limited to imports of cardboard for the manufacture of containers to ship Cuban pineapples. For earlier announcement, see FOREIGN COMMERCE WEEKLY of September 10, 1938.]

Dominican Republic

Economic Conditions

Trade in the Dominican Republic was maintained at a satisfactory level during September, and a freer movement of shipping, larger import stocks, and increased employment on public projects point to a continuance of satisfactory conditions.

In addition, exporters are experiencing better business than in many months. The 1942 sugar crop has been lifted and exports are proceeding at a satisfactory rate. Coffee has been almost entirely cleared and cocoa stocks are not disproportionately high.

Available rice for export from the present harvest has not yet been determined but it is believed it will be much smaller than expected. Since local consumption needs must be first met, the amount of rice that can be exported will not be known until the beginning of December. Commodity Credit Corporation, which has contracted for the purchase of all export rice, has indicated its interest in effecting arrangements similar to that for rice for other food products.

The Government is carrying out an extensive program of public works in preparation for the Centennial Celebration on February 27, 1944, to mark the anniversary of 100 years of independence of the Dominican Republic. The program includes street pavement, sidewalk repair, construction of the Palace of Justice, improvements in city parks, construction of a bathing casino, erection of a monument, hotel repairs, and general refurbishing of Ciudad Trujillo.

Ecuador

Tariffs and Trade Controls

Hides and Skins: Exportation Prohibited.—Exportation from Ecuador of all crude hides, dry or salted, and of all prepared hides and leather except snake, iguana, and lizard skins has been prohibited by an Executive decree dated October 15, 1943.

This measure cancels the decrees of March 24 and July 21, 1943, which established maximum quarterly quotas for exports of crude and prepared Ecuadorian hides and skins to the United States.

France

Tariffs and Trade Controls

Pneumatic Tires and Tubes: Import-Duty Suspension Continued.—The suspension of French import duties on pneumatic tires and tubes was continued temporarily by an order published in the Journal Officiel (Vichy) of February 9, 1943, according to L'Exportateur Français of February 19.

Organization Committee of Nonspecialized Commerce Established.—An Organization Committee of Nonspecialized Commerce was established in France by an order published in the Journal Officiel of February 7, 1943, according to L'Exportateur Français of February 19.

This committee is to include commercial enterprises selling articles or groups of articles belonging to at least two specified categories.

Gasogene Industry: Trade Organization Committee Established.—An Organization Committee of the Industry of Gasogenes for Explosion and Internal-Combustion Motors was created in France by a decree published in the Journal Officiel of February 10, 1943, according to L'Exportateur Français of February 19.

Electric Razors Placed under Trade Organization Committee for Hardware.—Electric razors have been placed in the cutlery group of the Trade Organization Committee of Hardware in France, according to L'Exportateur Français of February 19, 1943.

Fire-Fighting Equipment: Special Sales Tax Imposed.—A special sales tax, not to exceed 0.50 percent of turn-over, was established in France, for the benefit of the Organization Committee of the Industry and Trade in Fire-Fighting Equipment, by a decree published in the Journal Officiel of February 10, 1943, according to L'Exportateur Français of February 19.

Preserved Foods: Collection of Octroi Taxes Suspended.—The collection of octroi taxes on preserved foods of any kind or of any origin was suspended in France by a law of January 21, 1943, published in the Journal Officiel of February 4, according to L'Exportateur Français of February 19.

French North Africa

Tariffs and Trade Controls

Cheriffian Office of Commerce With the Allies Established in Morocco.—A Cheriffian Office of Commerce with the Allies (OCCA) was established in the French Zone of Morocco, under the authority of the Secretary General of the Protectorate, by a dahir and a residential order of August 13, 1943, published in the Bulletin Officiel of August 20.

This Office is to negotiate all operations concerned with the furnishing of supplies to Morocco by the Allies and all operations of exportation from Morocco

to the Allied countries, as well as to regulate such operations.

Measures to be taken for the functioning of this Office and its organization, especially financial and accounting, were left to the decision of the Resident General Commissioner or of the authority to whom he may delegate these powers.

Details of the organization of the Office were treated at length in an order of August 14, 1943, published in the Bulletin Officiel of September 10. This order also defines the duties of the Chief Accountant and Financial Comptroller.

Sugar: Price-Equalization Office Abolished in Morocco.—The dahir of February 14, 1940, establishing a price-equalization office for sugar in the French Zone of Morocco and providing for equalization fees and payments, was abolished on May 31, 1943, by a dahir of June 16, published in the Bulletin Officiel of August 6.

[See COMMERCE REPORTS of May 11, 1940, for announcement of the establishment of this office.]

Haiti

Exchange and Finance

Budgetary Surplus.—Preliminary figures for Haiti indicate that the fiscal year ended September 30, 1943, closed with a surplus of \$939,821 as contrasted with a deficit of \$425,381 for the preceding fiscal year. On September 30, 1943, there was an unobligated Treasury surplus of \$857,267, whereas a year ago there was a Treasury deficit of \$24,208.

Receipts in 1942-43 exceeded those of the preceding year by \$1,425,866 and expenditures in 1942-43 were \$60,764 larger than those of the previous year. Collections from all principal classes of revenue increased, but the major portion of the increase was represented by larger receipts from customs duties and internal revenues. Details are shown in the following table:

Item	1941-42	1942-43
Revenues:		
Customs	\$3, 878, 904	\$4, 463, 103
Internal revenues	1, 067, 483	1, 733, 524
Internal revenue service	73, 855	85, 461
Miscellaneous revenues	99, 609	263, 729
Total	5, 119, 851	6, 545, 817
Expenditures	5, 545, 232	5, 605, 996
Surplus		939, 821
Deficit	425, 381	

Public Debt Reduced.—During the fiscal year the gross public debt of Haiti was reduced from \$14,117,850 to \$13,226,609, or by \$891,241.

India

Wartime Commodity Controls

New Control Measures Affecting Specified Products.—Three notifications of the Controller-General of Supplies dated October 23 require that dealers, producers, and importers of specified

articles declare before November 1 their stocks as of October 25, according to a recent report from India.

The first notification applies to bicycles and imported shoes and all footwear, dealers and producers of which are to maintain a record of all sales and purchases from October 25.

The second notification covers fountain pens, optical lenses, imported surgical instruments, razor blades, toilet requisites, imported woolen cloth and hosiery, imported foodstuffs, and imported silk. Dealers and importers must declare stocks and show landed costs.

The third notification requires that producers of vegetable ghee (clarified butter) must declare stocks and keep sales records showing the margin of profit and production costs.

The above orders are issued under the Hoarding and Profiteering-Prevention Ordinance of October 16, 1943.

Transport and Communication

Freight Carloadings.—Freight carloadings of the Indian railways increased by 6.05 percent on the broad-gage and 24.9 percent on the meter-gage in August as compared with August 1942.

From April to August 31, 1943, freight carloadings were higher by 2.48 percent on the broad-gage and by 9.26 percent on the meter-gage.

Madagascar

Transport and Communication

Roadbed Construction Authorized.—Construction of a roadbed for a 62-mile rail line between Antsirabe and Ambositra, Madagascar, has been authorized, states the Journal Officiel de Madagascar et Dependances. This is a southward extension of the present railway operating from Tananarive to Antsirabe.

India's "Airgraph" Service Grows Rapidly

Approximately 3,000,000 airgraphs (V-mail) are now being handled each month in India, and the popularity of the service is growing steadily, the Indian press says. Out-bound service was inaugurated in February 1942, and 98,593 letters were transmitted during the first 4-week period; in-bound service was started in September 1942, and about 255,300 letters were received during the first full month of operation. The present monthly average is about 1,500,000 in-bound and 1,500,000 out-bound.

All airgraphs mailed in India are forwarded to Bombay where they are numbered, sorted, and photographed. About 1,000 letters can be processed in an hour.

Paraguay

Tariffs and Trade Controls

Tobacco Products: Excise-Tax Modifications.—The excise taxes on cigarettes and prepared tobacco have been consolidated and modified in Paraguay, resulting in a reduction of about 9 percent in the tax on domestic cigarettes, and an increase of about 33 percent in the tax on domestic prepared tobacco and of about 200 or 300 percent on imported cigarettes, depending on whether they have been classified as perfumed or unperfumed, according to decree-law No. 578 of September 28, 1943.

Domestic cigarettes, which were formerly taxed at 45 percent of the tax-included retail price, now pay only 41 percent of the tax-included retail price, as follows: Those selling for up to 8 pesos per package of 16, 3.28 pesos; up to 10 pesos, 4.10 pesos; up to 15 pesos, 6.15 pesos; up to 20 pesos, 8.20 pesos; up to

25 pesos, 10.25 pesos; up to 30 pesos, 12.30 pesos; up to 35 pesos, 14.35 pesos; up to 40 pesos, 16.40 pesos; up to 45 pesos, 18.45 pesos; and up to 50 pesos, 20.50 pesos; those selling for more than 50 pesos pay a tax of 2.05 pesos additional per each 5 pesos or fraction thereof over 50 pesos.

The tax on domestic prepared tobacco has been increased from 30 percent of the retail price to 40 percent of the tax-included retail price.

Imported cigarettes, formerly taxed at 19 pesos or 27 pesos per package of 20, depending on whether they were classified as unperfumed or perfumed, respectively, now pay a tax of 50 percent of the tax-included retail price. As most United States cigarettes sell in Asuncion for about 160 pesos per package, the new tax is about two or three times the former tax, depending on the classification under the former system of taxation. On imported prepared tobacco, the former taxes of 6 pesos per 100 grams for black tobacco and 9 pesos per 50 grams for light tobacco have been changed to 50 percent of the tax-included retail price.

There is no change in the tax on domestic or imported cigars, the latter continuing to be taxed at 6 pesos each.

The new taxes apply to stocks in factories and customs warehouses on the date of promulgation of the decree law. Owners of stocks of tobacco products affected by the new taxes must declare their stocks to the Bureau of Internal Taxes within 30 days from the date of promulgation of the decree law.

Prepared tobacco imported for making cigars and cigarettes to be sold as domestic manufactured products is exempted from the excise tax; tobacco imported under these conditions cannot be sold on the market except among manufacturers, and only under special authorization from the Bureau of Internal Taxes.

Travel: Certain Restrictions Removed.—The requirement of an embarkation or exit permit to travel from Asuncion to other parts of Paraguay, in force for the past 2 years, has been abolished by resolution No. 243 of October 14, 1943, of the Office of the Chief of Police of Asuncion, according to Asuncion's newspaper, *El Pais* of October 20.

An embarkation or exit permit will still be required by persons traveling to points in Paraguayan territory which are contiguous with points or ports of entry of foreign territory, and exit permits to travel in the interior of the country as well as to a foreign country will also be required of citizens of the Axis countries and of the countries occupied by the Axis. Travel in zones of the country occupied exclusively by the military authorities will be subject to the regulations of the Chief Command of the Armed Forces of Paraguay.

Peru

Economic Conditions

The cotton crop was reported in October to be severely damaged by insect pests and diseases, which, together with

the 20-percent acreage-reduction plan now in operation in Peru, is expected to reduce the 1943 crop to approximately 1,100,000 quintals of 101.4 pounds as compared with a 1942 production of 1,518,000 quintals, according to the Peruvian Cotton Chamber. The bean crop has also been attacked by insects and production seems likely to be curtailed instead of yielding a substantial export surplus as was anticipated when the crop was planted. On the other hand, flax-fiber yields are expected to be more favorable than a year ago.

The output of sugar for the first 9 months of 1943 (exclusive of "chancaca" or hard molasses) is estimated at 275,000 tons and for the entire year at 430,000 tons. A heavy accumulation of sugar stocks is anticipated at the close of the year due to heavy seasonal production, reduced export movement, and rather slack demand, but important sugar interests view market prospects without apprehension because of world-wide sugar shortages and frequent trade inquiries.

Rice crop conditions are more favorable than a year ago and with recent purchases from Ecuador and Chile, supplies are deemed sufficient for domestic requirements for the remainder of 1943. A temporary wheat shortage is expected to develop during November, largely as the result of shipping difficulties. Some reduction in retail wheat-flour sales has already been observed, but it is not expected that such a shortage will reach critical proportions or be prolonged.

INDUSTRY

During October, there were no important changes in the status of major manufacturing industries in Peru, which continued to operate at high rates of capacity and with favorable profits in all lines. A new woolen mill was opened near Puno and orders were placed for machinery for a flat-glass factory and additional glass-container manufacturing capacity. A 3,200 horsepower hydroelectric plant was completed to extend additional power facilities in the Arequipa area. The quinine sulfate and copper arsenate factories near Lima are continuing to make satisfactory progress, while output of the new Goodyear tire factory is gradually expanding.

LABOR

Industrial labor conditions remained quiet. Regulations were promulgated to protect the health of men working in lead mines and smelters, and a 10-percent wage bonus was announced by the leading copper producer in Peru. Conditions in the mining industry were exceptionally favorable, with zinc and copper production on the increase but with decreased need for lead, tungsten, molybdenum, and vanadium.

TRANSPORT

Aside from the completion of new penetration highways and continued maintenance work on numerous other roads throughout the country, there were few important developments in the field of transportation and communication in Peruvian coastal and Sierra regions. Seasonal rains in Sierra regions place

Regeneration of Salina Cruz Envisaged

The "resurrection" of the port of Salina Cruz, Mexico, Pacific-coast terminal of the railway which crosses the isthmus of Tehuantepec, is about to take place, says the *Prensa Gráfica* (of San Salvador).

Salina Cruz is the Pacific terminus of the long-neglected isthmian railroad of Tehuantepec. Before the completion of the Panama Canal, this was a prosperous railroad, and much freight was transhipped between the Atlantic and the Pacific via this route. The opening of the canal practically killed the railway, which has languished for 20 years with only a limited local traffic to justify its existence.

Since the outbreak of the present war, however, the picture has changed completely. President Avila Camacho of Mexico, while visiting that port recently, stated that the plan for the reconstruction of Salina Cruz was international in aspect rather than of a purely local nature: in other words, Salina Cruz will serve as a base for the growing commerce between Mexico and the Central American republics.

The president of Costa Rica, Dr. Rafael Angel Calderon Guardia, while visiting in Mexico, said that the revival of shipping by Mexico along the west coast between Salina Cruz, Mexico, and Central America is a forward step in international cooperation and will facilitate the transportation of many articles of prime importance. The port of Salina Cruz, he averred, will be a decisive factor in this trade revival.

heavier emphasis on road maintenance than during dry months. Both rail and coastwise sea-borne transportation facilities appear to be handling traffic adequately, although coastwise shipping is still insufficient to meet current needs.

The first caravan of merchandise was recently transported over the new Cuzco-Marcapata highway and thence to Puerto Maldonado by water, taking 5 days in all. Previously this was a commercially impracticable transportation route. Because of a reduction of 66 percent in freight rates on barbasco and increased rates on other commodities such as tagua and leche caspi, the movement of urgently needed barbasco root has been retarded during the past 2 months, as steamers preferred to carry the more profitable cargoes. Shipments of mahogany were also hampered by this situation.

War-time Commodity Controls

Linseed: Exportation Subject to Control.—Exports of linseed from Peru will be authorized only after local requirements have been met, according to a supreme resolution dated October 16, 1943. The Ministry of Agriculture, after the harvesting of each crop, will determine the quantities of linseed which may be exported.

Rumania

Transport and Communication

Railroad Under Construction.—The railroad under construction between Deva and Brad, Rumania, will soon be open to traffic, reports the Nazi press, and will materially shorten the route between the two points. Construction on this line started in 1939.

Southern Rhodesia

War-time Commodity Controls

Planting of Turkish Tobacco Restricted.—Turkish tobacco may be grown in Southern Rhodesia only by registered growers, according to new regulations published in the Government Gazette, August 20, 1943.

All persons intending to grow, sell, or export for sale Turkish tobacco in any tobacco season are to apply for admission to the register of Turkish tobacco growers.

The official estimated output of Turkish tobacco for the season 1942-43 is 2,500,000 pounds from approximately 5,000 acres.

Tanganyika

Transport and Communication

Finances of Railways During First Half of 1943.—Revenue and expenditure of the Tanganyika railways for the half year ended June 30, 1943, show increases over the comparable 1942 period, according to a statement in the Tanganyika Gazette for September 24, 1943.

Revenue received from the operation of the railways and ports amount to £591,800, nearly 21 percent more than that for the first 6 months of 1942, while expenditures on railways and ports was £514,600, or slightly more than a 21-percent increase compared with 1942. Increased revenue is attributable to the greatly increased traffic in both passengers and goods, and to the income from various road services of the railways.

Turkey

Economic Conditions

Economic activity during the third quarter of 1943 showed only moderate expansion, despite the approach of the export season. Business remained under the restraining influence of wartime uncertainty and commitments were kept at a minimum. Crop yields were generally favorable and industrial activity was fairly well sustained. Prices showed only a slight change from the prevailing high level. Foreign trade was irregular. Note circulation was slightly lower, while defense expenditures continued heavy.

AGRICULTURE

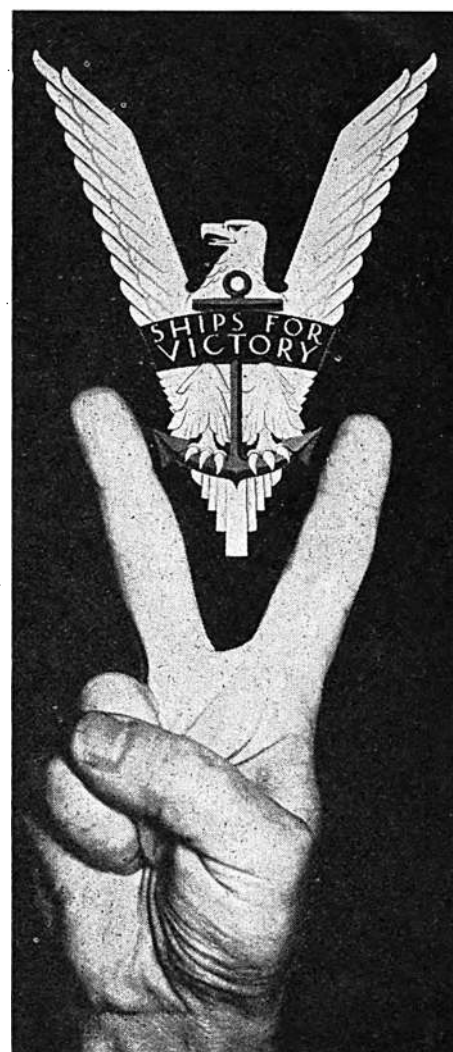
Late reports confirm the previous favorable forecasts of agricultural production. Cereal crops are estimated at from 35 to 40 percent above last year, with the following yields indicated, in metric tons: Wheat 4,000,000; barley, 1,500,000; corn, 750,000; rye, 350,000; oats, 300,000; and rice, 35,000. Normal annual requirements for consumption and seeding purposes are estimated at around 3,500,000 tons of wheat.

With warehouse facilities taxed to the maximum by the abundant crop, the possibility of some damage to stocks remaining in the open was mentioned in official circles, although the crop was being moved to warehouse centers as rapidly as possible.

The ban on cereal exports continued in effect during the quarter; in addition, local transactions on the Istanbul bourse have been suspended since June 1943, when the Office of the Products of the Soil became the sole supplier of cereals in the cities of Istanbul, Ankara, and Izmir.

Revised estimates indicate a decline in the cotton yield as compared with last year, as a result of unfavorable weather and reduced sown area. In the Adana district the area planted to cotton was estimated at 20 percent less and in the Aegean region about 22 to 25 percent smaller than last year. Failure of cotton prices to advance in proportion to production costs has placed planters in a difficult financial position. Toward the end of September all holders of cotton of the 1942 crop in about 13 specified vilayets were required to submit a declaration of their holdings with a view to eventual sale of their stocks to the Agricultural Bank.

A good sugar crop is indicated, with the yield estimated at 700,000 tons, which may be sufficient to cover domestic requirements. The tobacco crop is ex-



pected to approximate 55,000 metric tons. Abundant fruit yields are anticipated and the forage situation is reported to be favorable.

Prices of many agricultural products remained high, despite the temporary reaction at the beginning of the period under review. Following this drop, prices remained firm but at the close of the period pointed upward again.

INDUSTRY STEADY

Industrial operations varied, being governed by the availability of raw materials. Output of the cotton-textile industry was apparently lower, according to figures for the first 4 months of the year. Similarly, output of paper, based on 6 months' data, was somewhat less, and production of glass was running about 7 percent below last year's level. Cement production, which was interrupted from December 1942 to the end of March 1943, was resumed in April 1943, and the total for 1943 will probably show a considerable decline from last year.

To meet war requirements, output at the Karabük iron and steel works has been well maintained; a new production peak was reached in 1942. Shipments of iron ore from the Divrik iron mines to the iron and steel plants in 1942 showed a sharp increase over 1941. The rolling

Nazis Bring Chaos and Disruption to Dutch Transport

After 3½ years of German occupation the Netherlands transportation system, once one of the most modern and intensive of Europe, has been reduced to a state of chaos which makes traveling, by train, bus, or private automobile, practically impossible, says an agency of the Netherlands Government in Exile. Considerable numbers of railroad cars and auto trucks have been "exported" for use within the Reich, and the incessant use of the remaining rolling stock for Nazi troop transportation and the inadequate means for proper maintenance and repairs have caused so much deterioration that even a semblance of regulated traffic can no longer be kept up.

Of 51,000 trucks which were officially registered in 1938, only 16,000 are still in use. One-fourth of these are running on gasoline; the others have been converted to gas "generators," or even cruder installations. The condition of the tires is deplorable, while reserve stocks are practically exhausted. Lubricants are completely lacking.

The number of private automobiles has reportedly been reduced from 94,000 in 1938 to 16,000. Half of these are still running on gasoline, with an allowance of 5 quarts per month. They may be used exclusively for the benefit of the occupation powers, for the distribution of food, by doctors and by civil authorities. On August 1, the gasoline allowance for physicians was drastically reduced, so that many of them had to use the old-fashioned horse-and-buggy again.

Motor busses, of which there were 4,100 in 1938, now number 1,800. Of these, only a small number can be used at a given time for transportation purposes; lack of gasoline and lubricants and constantly needed repairs hold the remaining ones in their garages. The number of motorcycles has dropped from 60,000 to 3,000. Many of the Dutch busses and motorcycles are now serving at the Russian front.

The condition of the Netherlands railroads is critical. Seventy locomotives and 3,000 freight cars have been sent to Germany. A large number of passenger cars, tank cars, and refrigerator cars are used exclusively for the Nazi war effort. More than 200 miles of track, with switches and other accessories, have reportedly been transported to the Reich.

A nostalgic note of rusticity is brought into this grim picture by a Nazi order which prohibits the use of automobiles even for wedding parties. The new decree punctiliously defines that "no more than three carriages shall be used on such occasions, each carriage to be drawn by a single horse."

mills have been enlarged; the manufacture of pipes has been speeded up; the sulfuric acid plant has started operating; installations for the production of chemical byproducts have been completed; and the manufacture of Diesel fuel from coal has been inaugurated.

Special efforts have been made to increase the output of cigarettes with the aim of providing a surplus for export. Production of matches at the factory recently taken over by the Government from the American-Turkish Investment Corporation is reported to have increased.

Other industrial developments during the quarter included the acquisition of a privately owned woolen factory at Isparta by the Sumer Bank and a project for construction of a fish-canning plant.

DOMESTIC AND FOREIGN TRADE MORE ACTIVE

Commercial activity increased during the quarter, but expansion was less than the normal seasonal gain. Transactions continued on a cash basis, with little demand for credit. The effect of the capital tax was still noted in credit payments; although most of the advances against merchandise to meet payments of this tax were largely repaid, loans on realty have been liquidated slowly.

Data on foreign trade are unavailable. Considerable interest has been exhibited by Axis agents in Turkish products, with a view to accelerating an exchange of products in anticipation of slowing up of transport facilities during the winter months.

Shipments of 1,000 tons of Turkish cotton to Bulgaria were reported during the quarter, and exports of cotton valued at £T500,000 to Hungary were also reported, in return for Hungarian textiles. Exchange of Turkish cotton for Rumanian petroleum products was continued. Considerable interest was manifested by German purchasers in Turkish skins, mohair, oilseeds, filberts, woolen rags, and canned and salted fish.

Substantial imports from sterling-bloc countries were reported, as well as from the United States; these included rubber tires, woolen yarns, hides, cotton textiles, and railway cars.

A new Turkish-Swiss commercial agreement was signed in Bern on August 4, 1943, effective September 1, 1943; it provides for exchange of goods on a private-compensation or free-exchange basis.

PUBLIC-WORKS PROJECTS

Adjudications were announced for the construction of the following three large flood-control and irrigation projects: A large dam to prevent floods of the Seyhan River; dams at Dampullua and Karadere; and reinforcement of the Gediz Dam near Menemen.

Exchange and Finance

Note circulation.—There was a slight decline in note circulation during the quarter, the total outstanding on September 18, 1943, being £T723,685,797 (exclusive of £T5,446,685 held by Central Bank) compared with £T731,550,805

(£T4,746,208) on June 26, 1943. Both figures are substantially above 1942, when the total was £T646,879,408 (£T8,163,693) on October 3 and £T591,461,755 (£T8,496,588) on June 27.

The metal reserve was larger, amounting to £T201,895,511 on September 18, 1943, or 27.9 percent of note circulation, against £T197,954,805, or 27 percent, on June 26, 1943; the comparable figures a year earlier were £T139,139,758 (October 3, 1942), or 21.5 percent, and £T137,113,595 (on June 27, 1942) or 23.2 percent, respectively.

Defense expenditures.—Heavy expenditures for defense continued. On September 15, 1943, the Grand National Assembly voted another extraordinary allotment of £T100,000,000 for the Ministry of National Defense, bringing the total for the year (including the ordinary appropriation in the 1933-34 budget of £T116,031,238) to £T336,031,238.

Railway Loan.—The third issue of the 1941 railway loan was placed on the market and oversubscribed on June 7, 1943; this issue amounted to £T15,000,000, and bears 7-percent interest. The first internal loan was floated in 1941, and the second in March 1942.

Transport and Communication

Ships Acquired.—The shipping situation is expected to be eased somewhat by the arrival of five freighters purchased from the United Kingdom. These ships are scheduled for service between Turkey and Egyptian ports. The Government is also reported to have purchased nine French ships, including two tankers.

Railway Line Projected.—Plans were completed for the construction of a railway line connecting the cities of Narli, Antep, Nizip, Birecik, and Kerdanis in southern Turkey. Another line, connecting Antep with Kilis, is also contemplated.

United Kingdom

Economic Conditions

MINIMUM AGRICULTURAL WAGES INCREASED

The British Central Agricultural Wages Board on October 27 announced its decision to increase the national minimum wage of male farm workers from 60s. to 65s. per week. The changes include a standard minimum weekly rate of 48s. for female workers aged 18 years and over (3s. increase) and proportionate increases have been granted to juvenile workers and to special classes of farm workers. The Board is adhering to the principle that any existing higher rates in any county shall remain in operation. The Board is also allowing 2 weeks for the submission by any county committee of representations for a lower minimum to operate in their area.

Exchange and Finance

Relaxation of Certain Rulings Affecting Blocked Accounts.—The British Treasury announced on October 23, 1943, that in order to simplify exchange-control administration and reduce the vol-

ume of blocked sterling in nonresident ownership, new arrangements have been made whereby the majority of payments which until now have had to be made to blocked accounts will in the future be transferable. The benefits will be extended almost entirely to residents of the United States, since the announcement states that it has not been possible to extend these relaxations to payments to Canada, Newfoundland, Switzerland, and the Argentine because of the nature of the transfer arrangements between the United Kingdom and those countries.

Henceforth the majority of payments which since November 1940 have had to be made into blocked accounts will be transferable. These include the following payments of a capital nature: Capital repayments in respect of mortgages or drawn or matured securities; distributions from the estates of deceased persons who at their death were residents of the sterling area; distributions under settlements created by residents of the sterling area; profits of companies resident in the sterling area and service charges due from such companies; sale of real estate and personal effects; distributions on the sale or winding-up of companies; surrender of life or endowment policies; and withdrawals from accounts with building societies.

The relaxations being retroactive, the Bank of England is prepared to consider applications for the release and transfer of funds which have been credited to blocked accounts, where the funds have resulted from one of the enumerated transactions. If the funds in such blocked accounts have been invested in securities, applications for licenses to sell will be granted, and permission given for the transfer of the proceeds. The Chancellor of the Exchequer informed the House of Commons on October 28 that the accrued liability of the blocked accounts affected amounted to about £6,000,000.

Reinvestments by Nonresidents Owning Sterling Securities.—With respect to the restrictions imposed since May 1940 on the sale and purchase of sterling securities by nonresidents, the policy in granting licenses is now somewhat relaxed. Heretofore, a nonresident owning sterling securities wishing to switch from one security (such as a British Government stock) to another was only given permission to reinvest in a similar type of security; he could not, for example, switch from Government stock to mining or oil shares. Such restrictions are now removed, except that nonresidents will not be granted licenses to buy short-dated issues, that is, with 10 years or less to maturity. The ban on nonresident purchases of bearer securities is also lifted.

Commercial Law Digests

Law Reform (Frustrated Contracts) Act.—A law which received Royal assent on August 5, 1943, provides that where parties to a contract governed by English law have been discharged from further performance because the contract has been frustrated, any sum paid to any party under the contract before the time

when the parties were so discharged shall be recoverable, and any sum payable shall cease to be so payable. There is a proviso that if the party to whom the sums were paid or payable incurred expenses before the time of discharge in the carrying out of the contract, the court, having regard to all the circumstances of the case, has a discretion to allow him to retain, or recover, the whole or a part of the sums so paid or payable, not being an amount in excess of the expenses incurred.

Apart from the payment of money, provision is also made, where any party has obtained a valuable benefit before the time of discharge, by reason of anything done by the other party in the performance of the contract, for that other party to recover a sum not exceeding the value of the benefit to the party obtaining it.

The law applies to contracts made before or after the date of its coming into operation where the time of discharge is on or after July 1, 1943. It does not apply to charter parties, contracts of insurance, and contracts concerning the sale of goods which perish. The freedom of contracting parties to include in a contract special provisions relating to frustration or impossibility is, of course, not affected by the present law.

The historical basis for the new legislation is that for nearly 40 years the courts of England, but not those of Scotland, followed the rule established in the so-called coronation cases, among them being *Chandler v. Webster* (20 The Times L. R. 22 and 1 K. B. 493, 1904). The Court of Appeal in *Chandler v. Webster* held that the plaintiff, who had paid £100 in advance for the use of a window to view the coronation procession of King Edward VII which was postponed because of the King's illness, was not entitled to a refund. Thereafter, until overruled by a decision of the House of Lords on June 15, 1942, the courts of Eng-

land enforced the rule that where supervening events, not due to the fault of either party, rendered performance indefinitely impossible, the contract was frustrated and the "loss lay where it fell."

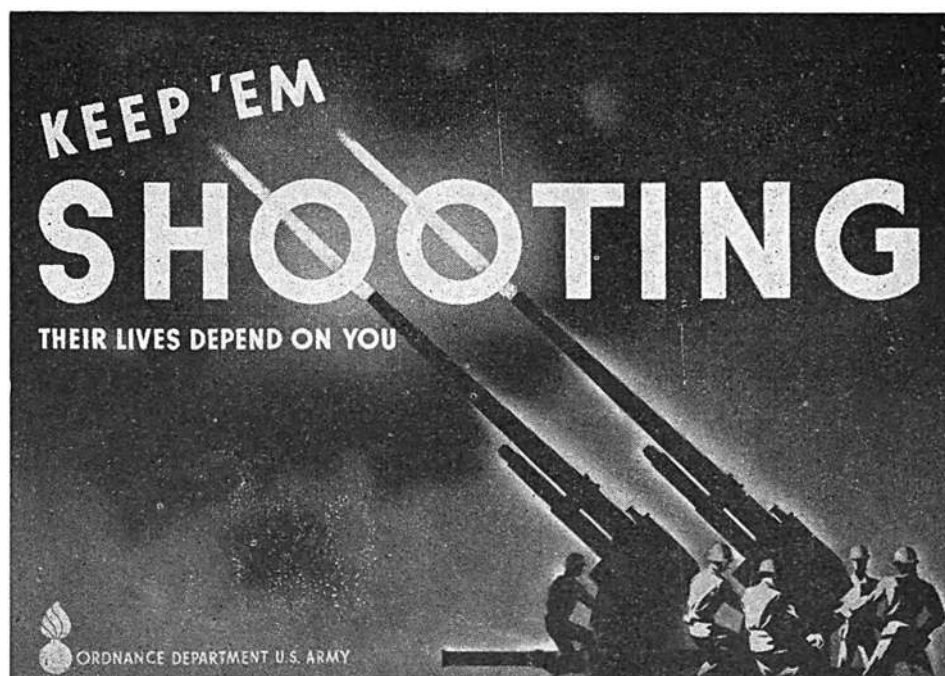
The House of Lords in its decision (*Fibrosa Societé Anonyme v. Fairbairn, Lawson, Combe, Barbour, Ltd.*) held that money deposited as consideration for a contract which becomes impossible to perform must be refunded, but it pointed out that while the new ruling obviated the harshness of the previous rule it might cause injustice in cases where the party accepting payment had incurred expenses before the contract became impossible to perform. It stated, however, that only the Legislature could decide whether provision should be made for such offsetting claims.

Uruguay

Economic Conditions

Because of abundant and well-distributed rainfall, optimism developed in Uruguay in September, but the rising cost of living continued to require the attention of the Government. Easing of the fuel situation averted threatened strikes among urban transportation workers, and generally there were fewer manifestations of social unrest. As of August 31, 1943, Uruguay enjoyed an export trade balance of \$22,296,956. Compared with 1942 there was a decline in purchases from the United States and England and an increase in purchases from South American countries.

During September cattle receipts at Montevideo were 75,514 head, compared with 46,788 for August, and prices were higher for all categories. It was expected that October receipts would be lower, however. Sheep receipts for September were 131,258 head, compared with 84,417 for August.



The predicted reduction in wheat acreage has now been substantiated by official figures showing a 31.7 percent reduction. The recently published figures show corresponding increases in the acreage sown to other cereals. Because of last year's drought the need for fodder was great, and the sowing of oats was encouraged, whereas the shortage of fuel for farm machinery adversely influenced wheat planting.

The excellent condition of the soil and the abundance of good pasturage have encouraged farmers. The planting of corn, sunflower seed, and peanuts was well started and will continue until the end of November. Potatoes, which will be harvested at the end of this year, will not be sufficient because of insufficient seed at planting time. To prevent a recurrence of the situation, the Government imported 7,000 tons of seed potatoes from Argentina. With a new demand from the meat-packing plants for potatoes to be used in canned Army rations, there is even greater need for an immediate increase in production.

DOMESTIC TRADE

Warmer weather has stimulated sales of summer clothing, but cotton goods and rayon, for which there was an increased demand, were scarce. Imports of such goods from Brazil and Argentina, therefore, increased.

The problem of business hours for shops and department stores has not yet been solved. Proprietors of such establishments, through their various trade associations, have petitioned the President of the Republic to modify the schedule of working hours to allow certain retail houses to remain open an additional hour, until 6:30 p. m.

MANUFACTURING

Capacity operations continued in woolen-textile mills. In cotton-textile mills there was reasonable activity, despite shortages of fine-combed and mercerized yarns.

The hat-manufacturing situation showed no improvement. Expected orders from other countries did not materialize, and domestic demand was poor. An order for felt hats received from South Africa more than a year ago, however, was finally shipped.

Tanneries worked but one shift daily. Leathers were being produced principally for local consumption to complete the orders from shoe manufacturers. There were some exports to Venezuela, South Africa, and England and a demand for shoe leather was reported from the United States. The activity in the tanneries should continue at least until December and perhaps beyond that date.

Shoe-manufacturing plants operated 5 days a week with an 8-hour day. An adequate supply of good shoe leather is not always available, and there is a shortage of certain other materials, particularly nails. Prices are higher, but not in proportion to the increased cost of leather. Orders for summer shoes were received in good quantity both from the city of Montevideo and the interior.

The hosiery mills report an excellent demand from South Africa, but the

More Jap Lotteries Help Drain Indies

The Japanese military authorities are constantly increasing the number of lotteries which they instituted in the Netherlands Indies immediately after the invasion. According to a recent broadcast via the Japanese-controlled Batavia radio, the purpose of these lotteries is "to absorb the purchasing power of the population." They are organized by the military administration without any interference by civilian authorities.

The latest lottery announced was for the Batavia area. A first prize of 50,000 guilders (\$27,000) was the main attraction. The number of tickets sold, however, has been kept secret.

shortage of rayon continued to cause difficulty.

As a result of the Government's action in allocating more fuel oil to the factories and the arrival from the United States of necessary refractory materials and plastics, such as bakelite, the glass industry was greatly improved. The demand for glass containers is increasing rapidly, particularly from food packers and pharmaceutical producers. In general, the situation was better than at any time in the past 12 months and employment was increasing.

COST OF LIVING

The official general index of the cost of living in Montevideo for September was reported to be 126.3 as compared with 122.3, the figure at which the index remained constant for the previous 3 months.

KEROSENE CENSUS

The census of families using kerosene was begun in Montevideo so that rationing of that commodity might be made on a family basis rather than on an individual basis.

LABOR

The threatened Montevideo street-railway strike did not materialize because of the intervention of the Government. The company agreed to maintain the wage increases granted last June, and the electric company (Administración General de las Usinas Eléctricas y los Teléfonos del Estado) increased the supply of current by 30,000 kilowatt-hours daily, an increase of about 40 percent, and reduced the price of current by 22.5 percent.

The motorbus strike in Montevideo was also averted after both sides appealed to the President of the Republic. The Government increased the allowance of gas oil from 32,000 liters daily to 37,000 liters. The association of motorbus owners agreed to increase the services and to continue the existing wage scale. In both of these cases the principal difficulty was the fuel shortage, and settlement be-

came possible only when more fuel became available.

A bill providing for a national wage board was passed by the Chamber of Deputies and was up for debate in the Senate. Several difficult labor problems have been deferred until this bill could be passed. It seems evident that salaries in general are too low in real purchasing power to enable workers to maintain their living standards, and that eventually something will have to be done to solve this problem.

CONSTRUCTION

Building permits issued in September in Montevideo totaled 474, valued at 1,189,389 pesos, compared with 505 for August with a value of 1,155,000 pesos.

FOREIGN TRADE PROMOTION

Commercial Departments, similar to the one in Washington, have been established by the Uruguayan government in Buenos Aires and Rio de Janeiro.

[For previous announcement of the establishment of commercial departments in the embassies at Washington, Buenos Aires, and Rio de Janeiro, see FOREIGN COMMERCE WEEKLY, of November 13, 1943.]

Venezuela

Transport and Communication

Airport Under Construction.—An airport is under construction at San Antonio de Tachira, Venezuela, to serve domestic operations between eastern and western Venezuela. As this airport is on the frontier, approximately 12 miles west of San Cristobal, air travel to Colombia will probably be increased.

Canada's New Penicillin Industry

The largest single order for medical supplies placed by the Canadian Department of Munitions and Supply and announced in September was for 26,000,000 units of penicillin for the armed forces of Canada. This is, of course, the new bacteria-killing drug which is regarded as ideal for treating war wounds. Plants and equipment for its production in Canada are to be financed by the Dominion Government.

The appropriation will cover the cost of building the new industry and of the initial 26,000,000 units produced. The industry is scheduled to come into operation by February 1944 and to achieve an average weekly production of 500,000 units by mid-April.

The Uruguayan Ministry of Agriculture announces that the Republic's surplus meat supply for 1944 will be sold to Great Britain, as a representative of the United Nations. According to Minister of Agriculture Arturo Gonzalez Vidart, the contract between the two Governments calls for the sale of 25,000 tons of frozen beef, 20,000 tons of corned beef, 1,400 tons of dehydrated beef, and 18,000 tons of army rations.

New Aspects of Mexico's Sugar Situation

(Continued from p. 7)

The average amount of refined sugar produced in the 5-year period 1938-42 was estimated at 398,046 tons, compared with an average of about 271,734 tons in the preceding 5-year period. This was an increase of about 46 percent.

The largest annual production of re-

finer sugar was about 462,800 tons in 1941-42. Production in 1942-43 is estimated at 454,148 tons. This is a reduction from earlier estimates, in which about 529,000 tons were forecast.

The production of "piloncillo" has followed about the same trend as that of refined sugar. The 1933-37 average was 69,536 tons as compared with 106,981 tons in 1938-42. Estimated production for 1943 is 110,230 tons, which is less than the 1942 production of 126,849 tons and also the 1941 record of 130,641 tons.

TABLE II.—Estimated production, exports, imports, consumption, and carry-over of refined sugar and "piloncillo" in Mexico, 1937-43

[In short tons]

Year	Production			Exports	Imports	Consumption	Carry-over
	Refined sugar	"Piloncillo"	Total				
1937.....	313,066	69,280	382,326	201	19	376,890	94,233
1938.....	340,383	77,187	417,570	667	18	414,964	106,331
1939.....	371,833	98,485	470,318	6,146	23	470,280	90,641
1940.....	328,195	101,742	429,937	62	22	501,556	18,941
1941.....	361,450	130,641	492,091	62	56,666	533,557	53,356
1942.....	462,795	126,849	589,644	903	55	559,825	83,877
1943 ¹	454,148	110,230	564,378	16,590	13,777	580,730	55,446

¹ Carry-over does not include "piloncillo," as no figures are available.

² Estimated.

Source: Production, consumption, and carry-over figures on refined sugar from the Union of Sugar Producers, and exports and imports from Dirección General de Estadística; figures on "piloncillo" from Dirección General de la Economía Rural and Dirección General de Estadística.

Production of Alcohol

Alcohol is produced in Mexico from molasses resulting from sugar manufacture, as well as directly from sugarcane juice. The increase in recent years in the production of alcohol will be noted in the following table, which shows production of alcohol from molasses and cane juice, for the years 1940 to 1942, inclusive, and an estimate for 1943:

TABLE III.—Production of Alcohol in Mexico
[In liters; liter = 1.0567 quarts]

Item	1940	1941	1942	1943 ¹
Molasses.....	20,700,049	23,103,046	20,011,949	35,000,000
Cane juice.....	2,620,003	2,214,339	6,050,814	8,000,000
Total.....	23,320,052	25,322,384	26,062,763	43,000,000

¹ Estimated.

Source: Sociedad Nacional de Productores de Alcohol, S. de R. L.

The increase in the production of alcohol, partly as a result of greater exports to the United States, has been the equivalent of an additional 11,000 tons of sugar.

Alcohol is produced also from "piloncillo" although the quantity is not known. This figure may be included in the alcohol manufactured from molasses.

Sugar Imports Small

Mexico has never imported or exported large quantities of sugar. In former years, production has kept pace with consumption.

The largest imports of refined sugar were made in 1941, when, according to Government statistics, 56,666 tons were imported. During the present year, 1943, up to and including September,

about 13,777 tons have been imported. Imports in the following amounts are being sought during the remainder of this year: 22,046 tons from the United States; 2,205 tons from Peru; and 12,676 tons from Cuba.

Exports Mounting

The largest exports of refined sugar, as well as sugar in manufactured form, took place in 1942 and 1943. Much of the sugar has gone out in manufactured products such as sirups, candies, canned goods, alcohol, and other products.

In the years 1931, 1932, and 1933, large amounts of granulated brown sugar were exported, the largest amount being 94,106 tons in 1933. Since 1933 very little of this type has been exported.

Only small amounts of "piloncillo" have been exported, varying from 21 to 335 tons per year. Early in 1943 it was

thought that sizable quantities of this product could be exported, but its production was so scattered that assembly of sufficient quantities would be difficult. Some uncrystallizable sirup resulting from the manufacture of sugar has been exported in recent years, principally to the United States, for the production of alcohol. This material contains large amounts of inverted sugars which the sugar mills of Mexico are unable to convert into sugar because necessary equipment is lacking. In 1942 about 47,684 tons of this material were exported.

Governmental Controls

The Government has taken steps to control the export of sugar directly or in manufactured products. In a Presidential decree, effective August 11, 1942, export licenses were required from the Ministry of National Economy for the export of sugar. On May 19, 1943, an executive decree was issued and made effective the following day, requiring export licenses issued by the Ministry of National Economy for the export of sirups, candies, confectionery, and preserved foods.

The recent decree of September 23, 1943, prohibits the export of sirups, caramels, sweets and chocolates, native candy, and similar products containing sugar, except in those cases where it can be proved that such articles have been manufactured exclusively from sugar imported for the specific purpose of conversion into such products for export.

No attempt has been made to curtail the production of alcohol directly from sugarcane.

Sugar Prices

Since the Union of Sugar Producers was organized in 1932, sugar prices in Mexico have been increasing. The price of first-grade granulated refined sugar is fixed by the Union at 45 centavos per kilogram wholesale (4.2 cents per pound), and the official retail price in Mexico City is 48 centavos per kilogram (4.5 cents per pound).

Carry-over

Estimates of carry-over as of December 31 each year have been made by the Union of Sugar Producers since 1933. According to these figures, the carry-over has varied from 5,900 tons in 1934 to 106,331 tons in 1938. In the last few years a stockpile of 44,000 tons has been indicated. In the current situation, production plus imports gives a supply of 578,000 tons, and consumption plus imports gives a demand of 606,000 tons, the excess of demand being 28,000, by which amount the carry-over has been reduced.

A Presidential decree of June 2, 1943, designated 44,000 short tons to be set aside as a reserve to control domestic markets, and in a decree effective September 23, 1943, instructions were issued to the effect that a stockpile of 66,000 short tons of sugar should be built up as soon as possible, and subsequently increased to 88,000 short tons. The "Consortium," a semigovernmental control organization, established by decree of March 2, 1943, will see to it that the Union builds up these stockpiles.



News by COMMODITIES

Chemicals

COPPER-SULFATE DISTRIBUTION DISCONTINUED IN BULGARIA

The delivery of copper sulfate to wine growers in Bulgaria, in exchange for scrap metal, has been discontinued for the remainder of the year, the Axis press reported in September.

Distribution has been handled by the Bulgarian Agricultural and Cooperative Bank and later its branches will deliver copper sulfate for vineyard needs next year. The amounts to be received have been fixed by the Council of Ministers at 6 kilograms per decare (1 decare=0.2471 acre) for wine grapes and 9 kilograms per decare for dessert grapes.

CANADIAN FERTILIZER SITUATION

As an aid to greater food production, farmers in Canada used more fertilizer during the 1943 crop season than ever before, the Canadian press reports.

Since the increased demand is expected to continue, arrangements have been made by the Fertilizer Administrator to provide larger amounts for the 1943-44 season. About 20 percent more nitrogen and phosphates probably will be available. There is a shortage of nitrate of soda, which can be had only under permit, but a new form of ammonium nitrate produced in munition plants and containing 34 percent nitrogen is on the market and will supply much of the nitrogen required, it is stated.

There will be a reduction of from 15 to 20 percent in the supply of potash, but

about the same total amount of mixed fertilizers containing potash will be available.

GERMANY EXPERIMENTS WITH PLASTICS FOR PUMPS

Because of the need for economy in the use of metal, experiments have been conducted in Germany with plastics as a construction material for pumps, a foreign technical publication reports.

Results have not been completely unsatisfactory, it is stated. Chemical resistance was found generally good. The principal difficulty was the swelling of the phenolics, caused by moisture absorption of the fillers. Asbestos was found the best material to use with plastics. Crushed and milled stone has also been comparatively satisfactory, but textiles and cellulose products proved unsuitable.

Thermoplastics without fillers gave better results so far as swelling was concerned, but they were difficult to press. Tubular and flat pieces for the valves are usually welded or glued.

Efforts have been made to improve the resistance of plastics to high temperatures. The use of several coats of resins applied by painting or annealing to protect metal pumps has been tried, but little experience has been gained so far; synthetic rubber has also been used for this purpose because it resists the action of a number of chemical materials and has a maximum temperature of about 100° C.

Vinidur foils (hard polyvinyl chloride) have been employed in machinery construction generally, on all metals except lead and some light metal alloys; they have also been used in combination with concrete and wood.

INDIA NOW MANUFACTURING CHEMICALS FORMERLY IMPORTED

Caustic soda was formerly imported by the Indian textile industry almost entirely from the United Kingdom, though limited amounts were received from the United States and Japan, says the British press. Imports in 1939-40 were valued at 7,230,601 rupees.

Pre-war imports of sodium hydrosulfite, also were used by textile mills, were divided between the United Kingdom and Germany. The value of these imports in 1939-40 amounted to 1,805,542 rupees.

Both of these chemicals are now being produced in local plants, and it is expected that production will continue even after the war.

NEW ZEALAND'S IMPORTS FROM THE UNITED STATES

Imports into New Zealand from the United States, in the first 6 months of 1943, of chemicals used solely in the manufacture of goods were valued at £NZ20,440, according to statistics released for publication by the New Zealand Customs Department.

Sulfur imports for the first 6 months of 1943 totaled £NZ33,303.

SWISS CHEMICAL INDUSTRY PROFITED IN 1942

Despite wartime conditions, the Swiss chemical industry in general profited in 1942.

A number of problems had to be met. Many of the materials required by the industry had to be imported and were difficult to obtain. After the product was manufactured, its distribution was complicated by transportation difficulties, the blockade, and lack of exchange.

Swiss chemical production is centered in Basel, and the leading plants there are owned by the Ciba, Geigy, Sandoz, Durand & Hugenin, and Hoffman-La Roche organizations.

ALCOHOL DISTILLERIES TO BE CONSTRUCTED IN URUGUAY

A project now under consideration in Uruguay calls for the erection of three alcohol distilleries on the Uruguay River near agricultural districts.

It is planned to construct one large distillery with an annual capacity of 1,500,000 gallons, and two smaller distilleries, each with a capacity of 500,000 gallons. The alcohol will be distilled from grains.

DYE PLANT UNDER CONSTRUCTION IN "CROATIA," YUGOSLAVIA

A large dye plant, designed by German specialists, is under construction in "Croatia," Yugoslavia, the Axis press reports.

The factory will be equipped with a special ventilating system, and will be one of the most modern industrial plants in southeastern Europe, it is stated.

Coal

COLOMBIAN EXPORTS

In the first 6 months of 1943, Colombian exports of coal exceeded imports for the first time. According to preliminary figures, exports totaled 2,902,907 net kilograms, valued at 193,409 pesos. The exports were mainly to Brazil.

FIRE-PREVENTION WORK IN INDIAN MINES

A foreign press account of activities of the Indian Coal Mines Stowing Board in 1941-42 says that the danger of fire was minimized in the Jharia field by blanketing the surface of the area and stowing the underground galleries of the Niluripathra side with sand. In view of the threat of fire to the Kasunda-Nyadh collieries, the barriers were strengthened by flushing "muttee" down bore holes and inclines, transforming the galleries into a muttee-filled barrier through which neither fire nor air can penetrate. Assistance in fire-prevention work at the Singaran colliery was also authorized.

Railway Opens Wells for Oil

With control of 620 acres at Vermilion, Alberta, Cannar Oils Limited, a subsidiary of the Canadian National Railways, has begun production of fuel oil for the railway's locomotives hauling war munitions through the Canadian Rockies. Already 20 wells have been drilled, out of a planned 50, and 10 are now producing 350 barrels a day.

"We are opening the wells," R. C. Vaughan, C. N. R. president, has said, "as a wartime measure of precaution to secure an adequate supply and reserve of fuel oil for our western services. Operation in British Columbia and Alberta is, at present, largely dependent on fuel-oil supplies brought through Pacific Coast ports, and any interruption to this supply would seriously disrupt our service. Bituminous coal is so scarce that it is impossible to use it in place of oil."

Construction (Including Highway)

PUBLIC-WORKS AND OTHER CONSTRUCTION PROJECTED IN CHILE

The Ministry of Public Works and Communications has granted the Province of Cautin, Chile, 1,300,000 pesos for road construction and 300,000 pesos for the construction and repair of bridges. This sum is reported to be in addition to the 8,500,000 pesos previously earmarked for similar work.

Paving operations in the city of Temuco, Chile, were resumed on receipt of a supply of needed cement.

The town of Cura-Cautin is planning to construct 50 model houses for laborers, each on a separate plot of land.

SITUATION IN SWITZERLAND IN 1942

The building industry in Switzerland reports that dwellings constructed during 1942 (in more than 382 communities of more than 2,000 inhabitants) totaled 5,186—11.2 percent more than in 1941 and an increase of 6.6 over 1940.

Construction of dwellings for the years 1934-42, inclusive, is shown in the following table:

Year	Number of dwellings	Estimated value in francs
1934	15,216	367,900,000
1935	9,577	248,600,000
1936	5,188	145,000,000
1937	6,647	195,500,000
1938	8,218	225,500,000
1939	8,997	248,400,000
1940	4,867	131,500,000
1941	4,664	136,300,000
1942	5,186	180,000,000

Much of the difficulty now encountered in the construction of dwellings is due to lack of materials and to increased building costs. During 1942, permits for 3,929 dwellings were granted in 33 cities, compared with 5,055 in 1941, 2,834 in 1940, and 5,867 in 1939. The drop in building permits, amounting to 1,126, or 22 percent compared with 1941, does not represent lack of demand, but lack of materials. The total outlay for construction during 1942 was 193,000,000 francs, compared with 21,000,000 francs in 1941.

Business and industrial building activity is reported as more favorable, with construction values in 1942 amounting to 137,000,000 francs (approximately 26 percent of the total private building activity), compared with 142,900,000 francs in 1941, 136,300,000 in 1940, and 137,200,000 in 1939.

Public building activity, including alterations and improvements, totaled

**Wartime Ingenuity
Is Already Shaping
Peacetime Miracles**

439,000,000 francs, or approximately 45 percent of the total building volume.

Building by communities represented 44.6 percent of all public construction work in 1942.

Cork and Products

SPANISH CORK-MANUFACTURING INDUSTRY

The cork-manufacturing industry in Catalonia, Spain, has been facing serious difficulties for some time.

Foremost among the industry's problems are the loss of foreign markets, high prices in terms of foreign exchange, and accumulating stocks. The conditions under which producers have had to operate are engaging the attention of both the government and the Cork Syndicate.

It is estimated that there are from 125 to 150 mills of various capacities located in the Barcelona district, most of which produce for export. However, only 25 or 30 are of any considerable size, and only a few of these operate on a very large scale. A number of mills have applied to the Syndicate for permission to suspend operations, since sales outlets are closed and large inventories have immobilized cash reserves.

Sales to Germany—the largest European market—have practically stopped. Switzerland, which normally requires large quantities of cork, is out of the market because of the suspension of the Spanish-Swiss clearing arrangement, and sales to France have also ceased. Some business is expected from Sweden, but it will not offset other losses.

Prices at which Spanish cork sales are being made vary considerably. A project has been proposed under which all producers would sell to the Syndicate, which in turn would handle foreign sales at fixed prices.

Electrical Machinery and Equipment

CANADIAN ELECTRICITY CONSUMPTION

Output of central electric stations in Canada totaled 3,428,513,000 kilowatt-hours in August, an increase over July's total of 3,404,077,000 kilowatt-hours. Net consumption during August amounted to 3,199,710,000, or a daily average of 103,216,000 kilowatt-hours.

The following table gives net consumption, by provinces, in July and August:

[In kilowatt-hours]		
Province	July 1943	August 1943
Prince Edward Island	721,000	795,000
Nova Scotia	47,479,000	49,230,000
New Brunswick	46,291,000	49,428,000
Quebec	1,654,064,000	1,648,767,000
Ontario	984,514,000	1,021,280,000
Manitoba	117,957,000	117,558,000
Saskatchewan	52,280,000	53,857,000
Alberta	41,758,000	42,736,000
British Columbia	216,671,000	218,981,000
Total	3,161,745,000	3,199,710,000

Colombia Makes Its Own Cement

The cement industry in Colombia has been tremendously expanded during recent years. In the past all cement was imported. In 1929 imports amounted to 150,625 tons, while in 1940 they were reduced to 15,229 tons and in 1941 and 1942 no cement was imported, says the newspaper *El Siglo*, of Bogota.

Cement was little used in the interior of the country, in former times, because of the cost of transportation. The new factories are distributed throughout all the principal regions, where transportation by railroad, highway, or water is available.

Despite the increase in price of all other industrial products, it has reportedly been possible for Colombians to lower the production costs of cement, which is rapidly becoming an important factor in irrigation and transportation projects.

POWER PLANT UNDER CONSTRUCTION IN HUNGARY

Construction of the large power plant near Matra, Hungary, is reported by the Hungarian press to be progressing. The plant is scheduled for completion in the latter part of 1944 but will probably be placed in partial operation next spring.

The cost of this project originally was estimated at 50,000,000 pengos, but it is now stated that approximately twice that sum will be required.

Foodstuffs and Allied Products

Coffee and Cocoa

BRAZILIAN COFFEE EXPORTS

Although Brazil's exports of coffee decreased in 1942 because of shipping difficulties, higher prices were obtained.

The following table, published by the Departamento Nacional do Cafe, shows quantity and value of Brazil's coffee exports during the years 1933 to 1942, inclusive:

Year	Quantity	Value
	<i>Bags of 60 kilograms</i>	<i>Cruzeiros</i>
1933	15,459,309	2,052,858,224
1934	14,145,879	2,114,511,730
1935	15,328,791	2,156,599,349
1936	14,185,503	2,231,472,515
1937	12,113,068	2,128,615,805
1938	17,203,422	2,206,010,010
1939	16,645,093	2,254,115,311
1940	12,053,499	1,569,956,317
1941	11,054,566	2,017,544,619
1942	7,279,668	1,965,737,796

COFFEE SITUATION IN SURINAM

The Surinam coffee market has experienced a temporary revival as the

To Classify South America's Industrial Woods

El Arte de la Madera, the official magazine of the Association of Argentine Woodworking Industries, recognizing the need for more complete and accurate descriptions and classifications of the various types of trees producing lumber in South America has begun the publication of detailed descriptions of the trees more commonly used.

The first installment includes details of the "guayacán," a very valuable hardwood of Paraguay; the "guayayby say-yu" of the Chaco region, a timber much in demand for marine and naval construction as well as for furniture; and the "yvyra fieti" of Paraguay, an excellent hardwood used for marine work as well as for fine furniture, for inlaying, for picture frames, and for numerous other purposes. (It may be worth noting that the names of these three trees, which have such an "un-Spanish" sound, are all from the Guarani language, the aboriginal-Indian tongue still spoken to a very considerable extent in Paraguay.)

These forthcoming authoritative descriptions of the great variety of South American woods promise to be exceptionally helpful to business interests in a number of fields.

result of an agreement of the Netherlands Government to purchase stocks of coffee on hand.

As the position of the Surinam planters has been serious for some time because of the loss of markets, they petitioned the Netherlands Government to buy coffee for the provisioning of the Netherlands after the war.

Pursuant to arrangements, the Netherlands Government will buy all stocks of first-quality coffee at 0.35 florin a kilogram (1 kilogram=2.2046 pounds). Of this, 0.30 florin a kilogram will be paid immediately and the balance on delivery. The Surinam coffee companies have agreed to arrange for the safekeeping of the coffee and the Government will provide the insurance.

This move on the part of the Netherlands Government should enable the companies to continue in operation, as it is intended not only to buy present stocks but also the amount harvested in the near future.

Stocks of old-crop Surinam coffee available for export under this plan amount to 6,000 bags of 90 kilograms each. An additional 6,000 bags will be available from the new crop, harvesting of which will continue until the end of March.

In 1939, coffee production in Surinam amounted to 4,136 metric tons, of which 2,486 tons, valued at 529,749 florins, were exported. The principal markets and percentage of exports on the basis of val-

ues were: The Netherlands, 52 percent; the United States, 23 percent; and Norway, 18 percent.

The United States has a quota allotment for Surinam coffee, which at present is not filled. Local dealers state that ceiling prices on coffee in the United States are lower than the prices at which Surinam coffee can be sold elsewhere, so that less interest is being shown in the United States market.

COCOA SITUATION IN TRINIDAD, B. W. I.

There are now four cocoa-powder producers in Trinidad, British West Indies, using 11,000 pounds a month. The three principal chocolate producers are using 14,000 pounds per month. This represents a fair increase in the amount of cocoa for local consumption which has never before risen as high as 300,000 pounds a year.

The Santa Cruz Propagating Station can obtain 2,000 cuttings per month of resistant cocoa and under normal conditions and with additional trained personnel, it is thought that this figure may be increased at least 10 times.

Dairy Products

AUSTRALIAN MILK PRODUCTION

Australian milk production in 1942-43 is estimated at 1,133,500 gallons, compared with 1,106,148,512 gallons in 1941-42 and 1,199,257,762 gallons in 1940-41.

Fruits

CITRUS-FRUIT SITUATION IN SYRIA AND THE LEBANON

Normal citrus-fruit production in Syria and the Lebanon is reported to amount to about 65,000 metric tons, which includes 43,000 tons of oranges, 17,000 tons of lemons, and 5,000 tons of other citrus fruit. However, 1943 production is not expected to amount to more than 70 percent of the normal year's crop, or 45,000 tons.

This decrease is said to be due to the extremely hot weather which prevailed throughout the territory during the first half of October, as well as insect damage which is reported to have been greater in 1943 than in previous years.

Because of war conditions and the lack of shipping facilities, there were no exports of citrus fruit from this area during the first 9 months of 1943, except negligible quantities of lemons to Turkey.

Grain and Products

AUSTRALIAN WHEAT PROSPECTS

Australia's wheat harvest (which commences in November) will probably amount to only 89,000,000 bushels in 1943, announced the Australian Wheat Board. This compares with an annual average of 156,000,000 bushels in the past 8 years and a record crop of 210,000,000 bushels in 1939-40.

CHILEAN EXPERIMENTS WITH BREAD-ENRICHMENT

Chile's Institute of Agricultural Economy, which is charged with controlling

wheat, flour, and bread production, has been experimenting with different methods of enriching bread while at the same time reducing its price, according to the foreign press.

The methods studied were:

(1) The addition of 6 percent dried skimmed milk to flour.

(2) The addition of corn flour, 25 percent of the proportion of wheat flour used in bread making.

(3) The use of so-called Graham bread, that is bread made in the customary manner except that bran water is substituted for plain water.

(4) The addition of from 1 to 2 percent of malt flour to bread from ordinary wheat flour.

(5) The addition of vitamin concentrates, in accordance with suggestions from the Chilean Embassy in Washington.

(6) The use of "germinal" flour in bread making, following a method patented by a Chilean.

(7) The use of flour of high extraction made from peeled wheat, according to a patented process of a Chilean, resulting in a flour of great nutritional value.

After studying these methods, the Institute decided to adopt the last two processes for future bread production in Chile.

MEXICAN RICE PROSPECTS

In actual tonnage, the 1942 production of 112,000 metric tons of paddy rice in Mexico was the largest ever recorded in the Republic. This crop was harvested from approximately 65,260 hectares and the average yield was 1,716 kilograms. In comparison with the 1941 crop of 109,355 tons, which was harvested from 53,095 hectares and had a yield of 2,060 kilograms per hectare, the 1942 crop had a below-average yield.

On the basis of preliminary reports from growing areas it is believed that the 1943 harvest will run about 115,000 tons.

About 90 percent of the rice crop is harvested from August until December. November is the most important month for harvesting, accounting for approximately 40 percent of the crop.

SWEDISH BREAD-GRAIN ACREAGE

A preliminary acreage inventory taken in Sweden on June 1, 1943, showed that the total bread-grain area amounted to 489,000 hectares (1 hectare=2.471 acres) compared with 528,000 hectares in 1942—a decline of 7.4 percent.

Meats and Products

URUGUAYAN CATTLE MARKET

The Uruguayan cattle market was active and firm during September 1943, with a tendency toward advanced prices for some classes of cattle.

It is reported that more than 90 percent of the steers sold in September brought maximum prices, and that high prices were also paid for a large number of grain-fed cattle that arrived on the market from the Departments of Paysandu, Rio Negro, Soriano, and Colonia.

Arrivals of cattle at Tablada amounted to 71,216 head in September 1943 as compared with 44,224 head in September 1942.

Cattle slaughter in September 1943 totaled 89,840, according to official statistics, compared with 48,208 in September 1942.

Poultry and Products

AUSTRALIAN POULTRY PRODUCTION

The gross value of poultry production in Australia totaled £12,158,426 in 1941-42 compared with £11,988,955 in 1940-41. Figures for 1942-43 are not as yet available.

Sugars and Products

CANADIAN SUGAR-BEET CULTIVATION

Commercial production of sugar beets in Canada in 1943 is officially estimated at 526,500 tons from 52,500 acres, compared with 716,000 tons from 63,300 acres in 1942.

Production costs on sugar-beet cultivation in southern Alberta are being lowered by technological improvements which will help the industry to compete with imported cane sugar in post-war years. The sowing of segmented seed, cross-blocking by machinery, stand-up thinning which requires only one-third as much work, and the loading of beets with mechanical loaders have been introduced this year.

Sugar beets have been grown under irrigation in southern Alberta for 18 years. So long as sugar production in Alberta and Manitoba does not exceed consumption in the Prairie Provinces, the factories enjoy the protection of freight charges on imported sugar.

PERUVIAN SUGAR PRODUCTION

Peruvian sugar production in September 1943 is estimated at about 55,000 short tons—which would make a total production of 303,000 tons in the first 9 months of 1943. Since the trade calculates a monthly production of about 55,000 tons for the remainder of this year, the total Peruvian sugar output for 1943 may be estimated at 468,000 tons, exclusive of "chancaca" (a hard molasses) which is turned out principally by primitive mills in the Sierra region. In 1942, production of chancaca amounted to 19,290 tons, compared with 13,228 tons in 1941 and 11,574 tons in 1940.

The National Agrarian Society reports that domestic sugar consumption in Peru, including chancaca, during August 1943, was 13,080 tons, and that the total for the first 8 months of 1943 was 91,558 tons. Consumption figures for August 1942 and the January-August period of 1942, were 9,745 and 83,482 tons, respectively.

Vegetables and Products

POTATO SITUATION IN NEW BRUNSWICK, CANADA

As a result of expanded acreage and excellent yields, the 1943 potato crop in New Brunswick, Canada, unofficially estimated at more than 8,000,000 barrels, with a value of \$20,000,000, promises to be the largest in the history of the Province. This is much higher than was estimated earlier in the season and twice the production of last year.

Acreage is estimated to be from 25 to 30 percent greater than the 50,500 acres planted last year.

The large yields, estimated at 150 barrels per acre compared with 82 barrels

in 1942, are due to favorable weather and the more extensive use of fertilizers and insecticides. Another reason for the good yield is that growers have specialized in potatoes. Even those with small acreage have invested in improved agricultural machinery.

Last year growers received from \$1 to \$3 per barrel for their potatoes, with most of the crop selling at \$1.50. Not only are they now receiving higher average prices, but yields on many farms have been from 40 to 60 percent higher than last year. Yields per acre are running from 125 to 150 barrels in the main commercial district, with some growers reporting up to 180 barrels.

The two starch factories expect a record output. One is working day and night, and the other will start 24-hour operations as soon as local workers finish digging the potatoes.

Two dehydration plants, operated by these starch companies, use the culls and parings. Each 150 pounds of dehydrated potatoes is placed in 15-pound tins for export. One of these plants is experimenting with the dehydration of

mashed potatoes for the domestic market.

Officials of the plants producing dehydrated potatoes and potato starch believe that potato production in New Brunswick can be increased four times if profitable markets are found for industrial byproducts.

VEGETABLE CROP, SONORA, MEXICO

The outlook for the vegetable crop in southern Sonora, Mexico, at the end of October was similar to that of last year which proved to be the most profitable in the history of the State.

Planters in the Mayo and Yaqui Valleys almost doubled the acreage planted to tomatoes last year, but cyclonic rains and floods ruined about one-third of the plantings—more than 2,500 hectares of tomato plants were destroyed.

The following table shows the number of hectares (1 hectare=2.471 acres) planted to the various vegetables this year compared with last year, and estimated production and exports compared with last year:

Item	1942-43			1943-44		
	Area planted	Production	Exports	Area planted	Production	Exports
	Hectares	Carloads	Carloads	Hectares	Carloads	Carloads
Tomatoes.....	23,250	1,600	1,514	27,500	3,300	2,500
Peas.....	2,500	800	645	5,000	1,600	1,100
Chili peppers.....	125	110	35	200	200	70

1 Estimated.

2 1,000 hectares ruined.

3 2,500 hectares ruined.

It is believed that no additional acreage will be planted to vegetables in southern Sonora this year inasmuch as other crops, such as wheat and flaxseed, will require more cultivated land.

of tin plate (550,829 pesos) and barbed wire (353,653 pesos).

These figures are from a preliminary report issued in Colombia.

Hardware

SAW-MANUFACTURING PLANT ENLARGING FACILITIES IN BRITISH COLUMBIA, CANADA

Demand for saws is very heavy in Canada as a result of increased forestry and mill activities.

To meet this need, the British Columbia branch of an English saw-manufacturing company is enlarging its plant facilities, the British press states.

Iron and Steel

IMPORTS INTO COLOMBIA

Imports of iron and steel products into Colombia in the first 6 months of 1943 included 3,075,989 net kilograms of iron and steel pipe (834,056 pesos), 41,129,098 kilograms of iron and steel plates and bars (684,307 pesos), 2,217,006 kilograms

Leather and Related Products

Leather and Manufactures

FOOTWEAR IMPORTS INTO LIBERIA

Imports of footwear into Liberia during 1942 amounted to 12,890 pairs of leather shoes, valued at \$28,181, and

Dermatosis from Synthetic Lubricants?

Synthetic industrial lubricants made and used in Sweden since the war began have caused many workers to suffer from skin eruptions, states the Swedish press, even though the usual protective clothing and sanitation precautions have been taken. Attempts to remove the injurious ingredients of the oils have been unsuccessful. According to the State Institute of Public Health, these dermatosis cases are nation-wide, though of course more numerous in some sections than in others.

Wartime
Shortcuts and Savings will
Pay Profits After the Victory

22,975 pairs of rubber-soled canvas shoes, valued at \$13,689.

VENEZUELAN SHOE INDUSTRY

Shoe production in Venezuela somewhat exceeds the estimated annual consumption of 2,000,000 pairs, or slightly more than one-half pair per capita.

As a great portion of the work is done by hand, and prices for materials are comparatively high, manufacturers are limited to the domestic market. It is believed, therefore, that production will remain on a more or less stationary basis until domestic demand becomes greater.

Hides and Skins

EXPORTS FROM ARGENTINA

Shipments of hides and skins from Argentina decreased 15.6 percent in volume and 4.9 percent in value during the first 8 months of 1943, compared with the corresponding period of 1942.

Exports of cattle hides decreased from 92,800 metric tons for the first 8 months of 1942 to 71,200 for the comparable period in 1943. Shipments of tanned hides, however, increased from 5,300 to 9,700 metric tons in the first 8 months of 1942 and 1943, respectively.

Tanning Materials

ARGENTINE EXPORTS

Exports of quebracho extract from Argentina increased during September 1943 to 19,270 metric tons compared with 14,502 tons for the preceding month. Total shipments in the first 9 months of 1943 amounted to 149,466 tons.

Domestic consumption of quebracho extract during September amounted to 1,878 metric tons, compared with 2,429 tons during the preceding month. Total consumption for the first 9 months of this year was 16,444 tons.

Exports of urunday extract for the first 9 months of 1943 totaled 1,788 metric tons. No shipments were registered in September.

Livestock

CHILE'S LIVESTOCK PROGRAM

One of Chile's most pressing problems is that of sufficiently increasing its dairy and beef herds to supply domestic demand. In accordance with the livestock program of the Fomento Corporation, 400 heifers and 50 bulls of pedigreed stock, worth 5,000,000 pesos, have been imported from the United States and Canada, according to the foreign press. From Argentina, 1,036 pure-bred heifers, valued at 4,800,000 pesos, have been imported, and the corporation recently approved the investment of an additional 5,000,000 pesos for the importation of cattle and sheep from Argentina.

In the first 6 months of 1943, more than 1,000,000 pesos have been advanced to private individuals and enterprises for the purchase of dairy animals and 1,350,000 pesos have been granted for the purchase of pedigreed breeding beef cattle. The greater part of the beef cattle is of Argentine origin, principally of Aberdeen

Angus and Shorthorn stock. More than 500,000 pesos have been invested in sheep from the Argentine.

It is reported that dairies that have acquired imported livestock have noticed a very appreciable increase in milk production.

Lumber and Products

CANADIAN TIMBER LAND

Canada has 781,000,000 acres of forest—58 percent of the land area of the nine Provinces—says the Canadian press.

Standing timber is estimated at 313,000,000,000 cubic feet, of which 212,000,000,000 is said to be accessible at present. More than 130 species of commercial value are represented.

There are 276,541 square miles of occupied forest land in Canada; 63 percent is Crown land under license to corporations or individuals; 20.8 percent is owned privately, and farm lots make up the remaining 16.2 percent.

SHINGLE EXPORTS FROM BRITISH COLUMBIA, CANADA

Exports of red-cedar shingles to the United States from British Columbia, Canada, continued to decline during September.

More Fertilizers for Palestine

As a part of its efforts since 1940 to promote industrial and agricultural development in Palestine, the United Kingdom Commercial Corporation has arranged for imports of fertilizers, the British press reports.

It is now attempting also to increase fertilizer production in Palestine. A large refining plant, with a unit for the manufacture of sulfuric acid, was available, but did not produce on a large scale. By an arrangement with the U. K. C. C. this plant, in return for the necessary supplies of sulfur, was able to furnish sufficient sulfuric acid for the requirements of Palestine, Syria, Cyprus, and part of Iraq.

The refinery's waste tar acid was found to contain 50 percent sulfuric acid, which the Corporation made available to producers of superphosphate fertilizers. Superphosphate fertilizer was first manufactured at Tel-Aviv at the suggestion of the Corporation; supplies of the other constituent—raw phosphate—were obtained from Trans-Jordan. A second fertilizer factory is under construction. This, with the increased output from the present plant, will meet Palestine's requirements, it is stated.

Although log stocks are low as a result of labor shortages, there was a slight improvement in the volume of such stocks for the month.

Shingle mills are now required to sell 40 percent of their production in the domestic market.

BALSA PRODUCTION, ECUADOR

Balsa production in Ecuador during August continued at a favorably high rate.

Shipments showed a slight increase over the total for July.

HUNGARIAN COMPANIES PLAN WOOD-SUGAR FACTORIES

Two Hungarian companies are planning to establish a wood-sugar factory in Transylvania, press dispatches from Hungary report.

Sawdust and wood shavings amount to 10,000 carloads annually, part of which is used for heating purposes, while the remainder is discarded. It is estimated that this quantity would furnish raw material for several sugar factories.

The new plant will cost 10,000,000 pengős.

TIMBER OUTPUT IN NIGERIA

The output of timber for domestic use in Nigeria has been greatly expanded as a result of wartime demands, a British lumber journal reports.

Production of pit-sawn timber increased from 117,000 cubic feet in 1941 to 270,000 feet in 1942. The manufacture of sawn shingles has also been stepped up considerably.

Local workers at Ibadan, trained by Gold Coast men, turned out 200,000 hand-riven shingles, it is stated.

Machinery, Other Than Electrical

COOPERATIVES TO PURCHASE MACHINERY IN HUNGARY

Plans for the establishment of cooperatives for the purchase and common use of agricultural machinery are being formulated in Hungary, according to press reports from that country. Organization of about 60 cooperatives is said to be contemplated.

Generally speaking, an individual farmer in Hungary cannot purchase large and expensive types of farm equipment. If such machines are bought on a cooperative basis, however, the Ministry of Agriculture has agreed to grant subsidies up to 50 percent of the purchase price.

This project is a part of the Hungarian Government's efforts to increase agricultural production.

ROMANIAN PRODUCTION OF FARM MACHINERY AND IMPLEMENTS

Production of agricultural machinery and implements is being maintained fairly well in Rumania, according to October press reports from that country.

Approximately 1,000,000 mattocks were manufactured in 1941; production increased to almost 2,000,000 in 1942 but

has dropped to about 1,700,000 this year. Plows numbered 12,000 in 1941, 9,000 in 1942, and 10,000 in 1943. Harrow production increased from 8,000 in 1941 to 12,000 in 1942 and 12,500 in 1943. Production of shovels, though not reported in units, is said to total approximately 1,200 tons annually.

The Rumanian press did not indicate whether the 1943 figures are estimates or refer to a fiscal year.

Medicinals and Crude Drugs

COLOMBIA'S FOREIGN TRADE

Medicinal tablets, pills, and similar commodities totaling 129,335 net kilograms, valued at 1,253,533 pesos, were exported by Colombia during the first half of 1943, according to preliminary figures issued in that country.

From Switzerland, Columbia imported pharmaceutical products (including medicinal tablets and injections) worth 300,166 pesos during the first 6 months of 1943, according to preliminary reports.

Motion Pictures and Equipment

REGULATIONS IN THE CANARY ISLANDS

The best motion-picture theaters in the city of Santa Cruz de Tenerife, Canary Islands, are merely large halls. A screen is placed at one end and the opposite end is either built up in tiers or there is a rising gallery. There are nine theaters in Santa Cruz, with seating capacities ranging from 500 to 820. Total annual attendance is about 2,000,000.

No films are produced domestically and all those shown are received from Madrid or Barcelona, Spain, after being censored there and dubbed into Spanish. At present, about 20 percent of the films being exhibited (exclusive of Spanish productions) are United States or English; 50 percent are German, and the remaining 30 percent are Italian. United States' features are reported to be the most popular.

Presentation of a Spanish newsreel is compulsory; exhibitors also are required to show at least one Spanish feature every 6 weeks.

MOBILE UNITS OPERATED IN GOLD COAST

The four mobile motion-picture units operated by the Gold Coast Government are very popular and are said to be having an important educational effect. Performances are given in the open air, usually in a village market place, and people often walk from 20 to 30 miles to attend.

Each unit is accompanied by a commentator, a driver-operator, and an assistant operator. According to the African press, not one break-down has occurred, and not a single scheduled program has been canceled since the project was started a little more than 2 years ago.



During the period, 1,500 performances have been given for more than 1,000,000 people.

The pictures shown are made in England especially for African audiences. Only silent films have been shown as yet, but it is planned to introduce talkies in the near future.

SOURCES OF FILMS SHOWN IN INDIA

United States motion pictures are reported to rank high with audiences in India, though Europeans ordinarily prefer English films.

Recent import statistics are not available, but the censorship boards report the sources of films reviewed. The following table gives the number and origin of features, shorts (including educational films), and news reels received by the censors in 1941 and 1942:

Producing country	Features		Shorts, including educational films		News reels	
	1941	1942	1941	1942	1941	1942
United States	234	200	492	387	5	42
United Kingdom	29	29	144	171	639	564
Australia	1		19	11	1	5
U. S. S. R.		4		16		33
Canada			13	1		
Switzerland	2			3		
China		4		7		2
Czechoslovakia				2		
New Zealand				3		
Union of South Africa						13
Total	266	237	698	601	645	669

In addition, 182 features produced in India were reviewed in 1941, and 185 in 1942. The number of shorts and documentaries increased almost 50 percent in 1942, numbering 284 compared with 190 in the preceding year. Other domestic films reviewed in 1941 included 30 news reels and 21 educational films. Last year, 31 news reels were reported but no educational films were listed.

Early in 1942, it was estimated that 1,535 permanent theaters with a total seating capacity of approximately 750,000 were in operation in India. This

figure did not include mobile units (of which there were about 360) or regimental theaters. More exact figures are not available at this time, but it is believed that the number of mobile units has decreased as a result of the gasoline shortage and other wartime difficulties.

Nonferrous Metals

SAND IN BRITISH GUIANA YIELDS GOLD

Discovery of gold in the black sand found in the hinterland of British Guiana is reported by the foreign press. An analysis showed that the sand contained 140 ounces of gold per ton of sand.

CONTROL OF PRODUCTS CONTAINING TUNGSTEN AND MOLYBDENUM IN JAPAN

A control for the distribution of wire, bars, and other goods containing tungsten and molybdenum is to be set up in Japan, states the foreign press. The control of tungsten and molybdenum in Japan heretofore has been limited to the ore.

LIBERIAN GOLD EXPORTS LARGE

Raw gold exported from Liberia in 1942—amounting to 22,469 troy ounces, valued at \$697,510—was the second-largest article of export, being exceeded only by rubber. Shipments in 1941 totaled 20,370 troy ounces valued at \$530,461.

GOLD PRODUCTION, SOUTHERN RHODESIA

Production of gold in Southern Rhodesia in May 1943 dropped to 56,665 fine ounces, valued at £475,990 from 65,348 ounces valued at £548,923 in May 1942.

The output of base metals increased in value to £272,330 in May 1943 from £260,182 in April 1943 and £240,495 in May 1942.

SPANISH EXPORTS OF TUNGSTEN

Tungsten exports from Spain in the first 2 months of 1943 amounted to 174.23 tons, valued at 33,500,000 pesetas, the foreign press reports.

Nonmetallic Minerals

COLOMBIAN CEMENT EXPORTS INCREASE

Exports of cement from Colombia in the first 6 months of 1943 amounted to 5,660,007 net kilograms valued at 257,649 pesos, preliminary reports show. This was greater than the entire amount exported in 1942.

NEW CEMENT AND ASBESTOS FACTORY, SOUTHERN RHODESIA

Among the products to be manufactured by a new cement and asbestos factory in Salisbury, Southern Rhodesia, will be concrete pipes, corrugated and flat roofings, house sections in asbestos cement, and fireplaces, the foreign press reports.

UGANDA SHIPS QUARTZ CRYSTAL TO U. K.

A trial shipment of quartz crystal has been sent from Uganda to the United Kingdom. One sample weighed 2 pounds and 4 ounces the foreign press reports.

Chile Seeks Protein in the Sea

In view of the meat and dairy-products shortage in Chile's food supply, and the relative difficulty of increasing output of these items, expansion of fisheries is viewed by the Government as the speediest method of supplying protein deficiencies.

Chile's present per capita consumption of fish is only about 13 pounds, which must be increased to 30 pounds, according to a recent Government report, to meet minimum nutrition standards—says the newspaper *La Ercilla* of Santiago.

The Development Corporation of Chile has been active during the past few years in raising fishery output, by extending credits to small enterprises and by organizing a major fishing company with a capital of \$375,000 (U. S. dollars).

As a result of this, the consumption of fish in the city of Santiago in the first 6 months of 1943 increased by 50 percent over that for the same period in 1942.

Chile has more than 2,600 miles of coast line, scarcely any point in the Republic is more than 200 miles from the sea, and the majority of the people live within a few miles of the coast. The offshore waters offer a great variety of fish, crabs, lobsters, and shellfish. Some of the largest and most delicious lobsters in the world come from the Juan Fernandez (Robinson Crusoe) Islands which belong to Chile.

England consumes 35 pounds of sea food per year per capita; Norway, 44 pounds; Sweden, 52 pounds; and the Japanese, the world's largest fish eaters, eat 55 pounds of sea food per year.

In view of these figures, says a Chilean Government spokesman, Chile should make fuller use of the ocean's harvest right at its door.

One of Chile's largest fish canneries (it may be noted in passing) is located at Antofagasta—the Sociedad Chilena Industrial de Pescado—which represents an investment of 12,000,000 Chilean pesos and, in normal times, gives employment to 180 people.

Oils and Oilseeds

ESTIMATED CANADIAN FLAXSEED YIELD

Official and private estimates of this year's flax harvest in the Prairie Provinces of Canada range from 16,711,000 to 20,258,000 bushels.

The preliminary official estimate of the flaxseed yield per acre in 1943 was 6.3 bushels, compared with an average of 7.2 bushels during the 1938-42 period.

Of 570 cars of flaxseed inspected in western Canada during the first 2 months of the crop year, 99 percent was No. 1 Canadian Western.

CHILE ENCOURAGES OILSEED PRODUCTION

The Committee for the Encouragement of Oleaginous Production of Chile again is trying to persuade farmers to plant greater areas in oilseeds, particularly stressing sunflower seed.

Recently the Committee announced through the press that one-third of the required 30,000 hectares was assured, but asked growers to fill the remaining requirements and thus take advantage of both the price paid for this seed and its large yield.

EDIBLE-OIL SALES DECREASE IN CHILE

Sales of edible oil in Chile decreased from 15,800 metric tons in 1941 to 14,100 tons in 1942.

OILSEED PRODUCTION PROMOTED IN ESTONIA

The Jogeve Seed Cultivation Institute of Estonia has conducted experiments which cause authorities to believe that white mustard, hemp, and flaxseed may be grown in that country in amounts worthwhile for oil production.

White mustard has been little known there, and while flax and hemp have been cultivated in the past, acreages of these crops will be increased, states the German-controlled press. To encourage this, high premiums are being paid for deliveries of these particular seeds.

ZANZIBAR'S EXPORTS IN 1942

Zanzibar exported 1,860,683 pounds of coconut oil valued at £26,396 in 1942, states a recent official publication.

In addition, 12,912 tons of copra valued at £219,501 were shipped during that period.

The coconut-palm industry accounted for more than one-fifth of Zanzibar's total exports last year.

Paints and Varnishes

NEW ZEALAND'S IMPORTS FROM THE U. S.

United States shipments of paints and varnishes to New Zealand during the first 6 months of 1943 amounted to £NZ17,870, according to figures released for publication by the New Zealand Customs Department.

Total imports of these products for the year 1942 were valued at £295,034.

Petroleum and Products

RESULTS OF NEW EQUIPMENT INSTALLED BY BOLIVIAN DEVELOPMENT AGENCY

New drilling equipment installed at well No. 11 in the Bermejo region of

Bolivia has been averaging a penetration of 20 meters a day, and at Sanandita 22 meters a day, according to a recent announcement by the Bolivian Petroleum Development Agency. In contrast, the old equipment which the company has been using has averaged only 4 meters a day.

Production of the Bermejo fields is shipped only to Argentina.

IMPORTS INTO LIBERIA IN 1942

Petroleum products imported into Liberia during 1942 consisted of 1,432,985 imperial gallons of gasoline valued at \$449,091, 103,140 imperial gallons of kerosene valued at \$21,589, 122,563 imperial gallons of lubricating oil, valued at \$53,402, 684,232 imperial gallons of fuel and Diesel oil valued at \$144,450, and 699,897 imperial gallons of aviation spirits valued at \$273,880.

Rubber and Products

BOLIVIAN RETREAD PLANT

About 70 truck and passenger tires a month, or approximately 840 tires a year, are retreaded at the Bolivian retread plant.

RUBBER EXPORTS FROM LIBERIA

Rubber was Liberia's principal export during 1942, in value totaling \$7,353,050. Shipments consisted of 12,478,218 pounds of latex, valued at \$3,916,430, and 13,506,767 pounds of crepe rubber, valued at \$3,426,620.

In 1941, total value of rubber exports was \$4,987,763. This included 9,690,742 pounds of latex, valued at \$2,648,181, and 8,390,046 pounds of crepe rubber, valued at \$1,627,332.

Shipbuilding

RUMANIAN PORT ADMINISTRATION AUTHORIZED TO BUILD VESSELS

The Rumanian Port Administration has been authorized to build within Rumanian shipyards 8 tugboats, 3 tankers, 3 combined passenger and freight vessels, and 31 river boats of smaller types.

A 100-percent increase in pilot and port fees is also authorized, the foreign press reports.

Textiles and Related Products

BRITISH EAST AFRICAN FOREIGN TRADE

Cotton piece goods imported into British East Africa (Kenya, Uganda, Tanganyika, and Zanzibar) in 1942 amounted to 80,983,868 linear yards, valued at £2,862,904, according to published reports. This figure represents one-sixth of the value of all imports.

Among East Africa's exports were the following, with values shown in parentheses: From Tanganyika, 179,411 cents (1 cental=100 pounds) of raw cot-

ton (£640,843) and 136,237 tons of sisal fiber and tow (£2,631,367); from Kenya, 33,692 cents of raw cotton (£91,709), 32,445 tons (£593,367) of sisal fiber and tow, 898 tons (£89,968) of flax fiber and tow, and 14,593 cents (£58,126) of wool; and from Uganda, 944,212 cents (£2,361,475) of raw cotton.

Blankets and cotton drill are to be manufactured in Uganda, according to a British periodical. It is reported that the necessary machinery is being constructed entirely from scrap metal or car parts.

STANDARDIZATION AND SIMPLIFICATION IN CANADA

On October 1, standardization and simplification orders became effective in Canada on sheets, pillow slips, towels, wash cloths, and mats. Restrictions on size, the width of hems, designs, and colors are designed to effect substantial economies in manufacture and make possible an output of 30,000 additional sheets and 175,000 more towels per year.

SWISS TEXTILE-INDUSTRY OPERATIONS

Switzerland's textile industry, particularly the cotton, woolen and linen branches, operated on a much-reduced scale in the first quarter of this year. The silk and rayon section fared somewhat better.

Prices of wearing apparel in April 1943 were about double the August 1939 level.

Cotton and Products

BRAZILIAN COTTON SITUATION

Cotton is considered the most profitable crop which producers in Sao Paulo, Brazil, can raise on a large scale, in view of prevailing high prices and the apparently bright outlook for the future. Because of Government restrictions, however, the amount of seed for planting the 1943-44 crop is not expected to exceed that of last year.

With improved shipping conditions, a greater demand for cotton is anticipated from Canada, Spain, and liberated European countries. So that Brazil may raise sufficient cotton to participate in this market, efforts are being made to obtain removal of Government limitations on seed distribution.

OPERATIONS IN CANADIAN MILLS

Operations in Canadian cotton mills improved slightly in September. In that month, according to published reports, 35,145 bales of cotton were consumed, compared with 34,205 bales in August and 39,215 bales in September 1942.

During the first 9 months of this year, 338,760 bales were consumed, or more than 44,000 bales below the total for the corresponding months of last year.

ESTIMATED EGYPTIAN COTTON CROP

Egypt's 1943 cotton crop, according to first official published estimates, is expected to be about 3,093,000 cantars, unginned. (1 cantar=99.049 pounds). This total comprises 2,427,000 cantars of long-staple cotton more than 1 3/8 inches; 8,000 cantars more than 1 1/4 inches, and 658,000 cantars of medium staple, averaging more than 1 1/8 inches.

In September, 257,694 cantars of cotton were exported, compared with 301,693 cantars during the corresponding month of 1942.

COTTON PRODUCTION, RUANDA-URUNDI

Cotton production in Ruanda-Urundi has increased steadily in recent years. In 1942, 4,096 metric tons of seed cotton, or 1,293 tons of lint cotton were produced, compared with only 24 tons of seed cotton in 1929, reports an African publication.

SITUATION IN SPAIN

About 4,638,640 kilograms of cotton were received in Spain in September. This is almost 1,000,000 kilograms less than receipts in the preceding month. In September 1942, however, no shipments were received.

Total receipts for the first 9 months of 1943 now aggregate 63,162,857 kilograms, which compares very favorably with the 47,280,815 kilograms received in the corresponding period a year ago.

Mill activities in September were somewhat less than in August; those manufacturing cloth for the armed forces were operating full shifts, but others were running at from 60 to 75 percent of capacity. Prices of raw cotton were increased during the month.

NEW MILLS IN TURKEY

Turkey's industrialization seems to be progressing steadily.

Among latest additions, reported by a foreign periodical, are a textile mill at Defterdar, and two cotton-spinning mills at Kayseri and Nazilli. Cotton waste is to be used as raw material in producing yarn.

Synthetic Fibers and Products

RAYON SITUATION IN CANADA

During the first 8 months of this year, 3,100,000 pounds of rayon yarns were imported into Canada, according to pub-

lished reports. This is a large increase over the corresponding period of 1942 when 2,500,000 pounds were received.

Rayon staple fiber imports totaled 3,900,000 pounds in the period January through August, or 200,000 pounds above those in the corresponding months of 1942.

Imports of woven rayon fabrics were lower in the first 8 months of the present calendar year, having totaled only 1,600,000 pounds, contrasted with 2,100,000 pounds a year ago.

A large rayon factory is undertaking the manufacture of high-tenacity yarn for tire cord. Rayon is also being used by tire cord manufacturing plants. This may cause a decided reduction in viscose rayon for civilian trade.

RAYON PRODUCTION, SWITZERLAND

Two new factories for production of rayon staple fiber were placed in operation in Switzerland in 1942, according to a foreign trade publication. The cellulose for rayon manufacture is extracted from pine wood.

A factory at Emmentbrucke-Widnau reportedly produces 25,000 kilograms per day, and one at Rorschach has a daily output of 5,000 kilograms of viscose staple fiber.

Wool and Products

AUSTRALIAN EXPANSION PROGRAM

Australia, with its large quantities of wool, is now working on a vast program of expansion in the production of wool knitted goods, reports a trade paper. Manufacturers plan to develop an export market as well as to supply domestic needs.

SITUATION IN IRAQ

Iraq's wool spinning and weaving factories were busier in July than in earlier months. Prices of wool remained almost uniform, and export shipments were very small.

WE ARE BUYING



U.S. SAVINGS BONDS and STAMPS

The number of sheep in the country is now estimated at 7,500,000 or substantially the same as in the fall of 1941.

WOOL INDUSTRY, U. K.

Very little new business is being accepted by United Kingdom wool spinners and manufacturers, as they are anxious to ascertain first just what level of output can be maintained after experiencing further labor withdrawals.

The present policy is to complete first the orders already contracted for.

Miscellaneous Fibers

SISAL CONTROLLER APPOINTED IN BRITISH EAST AFRICA

The importance of British East Africa's sisal production is indicated by the appointment of a Deputy Sisal Controller who will inspect estates and offer helpful advice, according to an African publication. Two engineers are to be appointed to assist in matters pertaining to machinery, equipment, and spare parts.

Wearing Apparel

SALES IN CANADA DECREASE

Retail wearing-apparel sales in Canada were lower in value in August 1943 than in August 1942, according to a Canadian publication.

Men's clothing stores reported that in August sales declined 16.6 percent from the preceding month, and 9.4 percent from August 1942. Total sales for the first 8 months, however, dropped only 0.4 percent.

Sales in women's clothing stores were 8.3 percent below July, and 11.1 percent below August of last year. However, aggregate sales in the first 8 months advanced 9.4 percent.

August sales of men's and women's clothing and footwear, in department stores, were about 5 percent below August 1942.

Tobacco and Related Products

ESTIMATED CROP, BRAZIL

The Tobacco Institute of Bahia, Brazil, continues to estimate the 1943-44 tobacco crop at between 200,000 and 250,000 bales of 75 kilograms each. Exports of leaf during September 1943 showed an increase of more than 100 percent compared with the preceding month.

CROP SMALLER THAN EXPECTED IN DOMINICAN REPUBLIC

Harvesting of the 1943 Dominican tobacco crop has been completed in the Dominican Republic, and total production was much lower than was anticipated earlier in the year. The amount of leaf available for export was approximately 30 percent less than had been expected.

The decrease in the size of the crop, producers state, was caused largely by unusually heavy rains shortly before its maturity.

IMPORTS INTO LIBERIA

Imports of leaf tobacco into Liberia during 1942 amounted to 555,931 pounds, valued at \$144,537; imports of cigarettes during the same period totaled 11,564,300 packages valued at \$42,866.

SEED BEDS IN MEXICO DAMAGED

Severe rains have damaged tobacco-seed beds in Nayarit, Mexico's leading tobacco-producing state. The full extent of damage was not known at the close of October, but it was estimated at between 40 and 60 percent of the total crop. Replanting of most of the damaged seed beds was still possible however.

Chile Looks Toward Bigger Coal Output

(Continued from p. 5)

Transport Methods

Coal from the mines is immediately loaded into waiting boats and trains, leaving extremely low stocks at the mines. Most of the coal from the central zone is unloaded at the port of San Antonio. A service recently established for the shipment of coal from Lota and Coronel to San Antonio, via lighters having a capacity of 4,000 tons, is expected to supply this area with 150,000 metric tons of coal annually. Because of the problem of transportation the northern district has difficulty, even in normal times, in obtaining a sufficient coal supply.

Stimulating Output

Several measures have been taken to increase production. A resolution was adopted by the Development Corporation to invest up to 4,000,000 pesos to open new projects and assist companies to increase production. Another 4,000,000 pesos have been loaned by the Corporation to the Popular Housing Institute for construction of living quarters for miners in the city of Lota, making possible the employment of enough additional miners to increase production an estimated 200 tons a day. It is claimed that 500 houses, costing about 10,000,000 pesos, are needed.

Magallanes Situation

Of the lignite coal produced in Chile, only 10 percent comes from the central zone; the remaining 90 percent is mined in the Territory of Magallanes in the Republic's southern zone. Production in Magallanes in 1939, 1940, and 1941 was reported at 54,000, 110,000, and 135,000 tons, respectively, and some 10 mines produced 157,395 gross metric tons in 1942. The increase is due largely to expansion of production in three mines, Elena, Josefina, and Natales, which reportedly produce a superior quality of lignite.

There is little promise of relieving the fuel shortage with Magallanes lignite, however—chiefly because of transporta-



tion difficulties in moving the coal past the rough seas on the west coast. The distances from the southern to the central zone are great; the inside passages are narrow, and a heavy fog prevails most of the year. The route to Argentina is shorter and safer. In addition, Argentina is better equipped to use Magallanes coal, which is very low in calorific value. Either furnaces must be designed to burn this lignite or special burning devices must be installed.

For Better Utilization

Because of the tendency of the soft lignitic coal of Chile's southern zone to slack and crumble upon exposure to air, it has been customary to mine it only to meet the market demands. Storage under the sea water has been proposed as a possible solution, as it has been noted that outcroppings of lignite along the coast, exposed to occasional drenchings of salt water, stay hard and tight, whereas inland outcroppings of lignite soon turn back to soil. Briquetting has been suggested as a possibility for the future.

Increase Envisaged

It is thought that the Lota and Schwager mines each has capacity to increase production an additional 150,000 gross metric tons annually, depending upon facilities and on the stimulation of miners' interest. Such an increase should more than satisfy Chile's essential coal requirements for the immediate future.

A culvert, running beneath the Charleroi canal, in Belgium, was recently blown up south of Brussels, and in a few hours the level of the canal had fallen so low that all traffic on it had to be suspended. The electric power station which supplies current to the surrounding industrial district was reduced to almost complete idleness, and production in certain factories at Clabecq and Tubize slowed down considerably.

Trade Mark Applications

Uruguay.—The following applications for trade-mark registration were published in the *Diario Oficial* of Montevideo, on the dates noted. Opposition must be filed within 30 days from the date of publication:

Trade-mark	Product	Date of publication
Vitasoy.....	Meat products, agriculture, and dairy products.	1943 Nov. 1 to 6.
Fresluxfresh.....	Drug store and chemical products. Toilet articles and perfumery.	Do.
Cavanha.....	Groceries, foodstuffs, etc.	Do.
Wrenbo.....	do	Do.
Record.....	Beverages	Do.
Maternprim.....	Classes 1, 3, 6, 7, 9, 10, and 11.	Do.
S. R. L. Haptinogeno.....	Drug store and chemical products.	Do.
Neumo.....	Drug store and chemical products. Toilet articles and perfumery.	Do.
Rinso.....	do	Do.
Viestrell.....	Toilet articles and perfumery.	Do.

El Salvador.—The following applications for trade-mark registration were published in the *Diario Oficial*, San Salvador. Opposition must be filed within 90 days from the date of publication:

Trade-mark	Commodity	Date of publication
Crioqui.....	Chemical and pharmaceutical products.	1943 Oct. 13
Flash.....	do	Oct. 14
Las Americas.....	Textile manufactures.	Oct. 15
Anthyxina Alex.....	Medicinal and pharmaceutical preparations, chemical and veterinary products, drugs.	Oct. 19

Chile.—The following applications for trade-mark registration were published in the *Diario Oficial* of Santiago. Opposition must be filed within 30 days from the date of publication:

Trade-mark	Class number and product	Date of publication
Resistol.....	No. 20—Adhesives, paints, varnishes, pastes.	1943 Nov. 2
Wonderfull, Looking-Glas, Comet.....	No. 47—Clothing.	Do.
Bambi, Milady, Easygoers.....	No. 50—Footwear.	Do.
Sulfadent, Jergens, Invisol.....	No. 57—Perfumery products and toiletries.	Do.
Ovaltine, Teltens.....	No. 67—Aliments, especially for children and invalids.	Do.
Eversmart.....	No. 74—Waterproof material and clothes, etc.	Do.
Arsabott, Tum-Bafay, Legnesia, Garsulan, Amiton, Ofsulan, Kemithal, Penicridina, Penicryl, Penacryl, Pomada No. 362, Neumostol, Frenospasmyl, Osteocalcin, Penicellan, Intelin, Tosantil, Safac, Sinolan, Poli Pan Quimio Bras, Hemorrhosan Quimio Bras, Viburnidia Quimio Bras, Extericlor, Cafotan, Kalibromit Lab. Chile, Grifobromit, Grifobrom, Bhomocal, Bhomocalcil, Bhomoglucal, Glucabronil, Calcibronil, Calcibronal, Calbrocal, Calbronil, Calbrosal, Calchos, Bromo-Calcium Larate, Buenos Dias, Bruschettini, Castil, Cascasil, Amparon, Amparal, Vasoverina, Espasmooverina Silbe, Yemol.	No. 75—Chemical and pharmaceutical products.	Do.
Copralax.....	No. 81—Desk articles, printed matter, but not periodicals.	Do.

Brazil.—The following applications for trade-mark registration were published on dates indicated in the *Official Gazette* of Brazil. Opposition must be filed within 60 days from the date of publication:

Trade-mark	Class number and product	Date of publication
Penicillina.....	No. 3—Pharmaceutical and medicinal product.	1943 Oct. 26
Plasmogen.....	do	Do.
Testosterona.....	No. 3—Chemical preparation for medicinal and pharmaceutical uses.	Do.
Darting.....	No. 48—Perfumery.	Do.
Panam.....	No. 52—Goods manufactured from plastic materials.	Do.
Aerlite.....	No. 8—Precision and scientific instruments.	Do.
Ureol.....	No. 10—Acrylic substances used in dentistry.	Do.
Cosinhas Americanas (Kitchen cabinets).	No. 1—Chemical product.	Do.
	No. 40—Furniture.	Do.

Trade-mark	Class number and product	Date of publication
Admiral.....	No. 32—Cloths and stuffs of wool, worsted, or hair.	1943 Oct. 26
Gutafluid.....	No. 10—Tooth-filling products; gutta-percha for dental used.	Do.
Atlas.....	No. 46—Candles, matches, common soap and detergents; starch, blue, and other preparations for laundry purposes.	Do.
	No. 55—Preparations for the preservation and polishing of floors.	
Bob.....	do	Do.
Weed.....	No. 48—Perfumery.	Do.
Elwood.....	do	Do.
Lou-Isa.....	do	Do.
Okidure.....	No. 10—Instruments and apparatus for surgical or curative purposes.	Do.
Americansul.....	No. 3—Caustic soda.	Oct. 23
Girafa.....	No. 22—Cotton yarn.	Do.
Admiral.....	No. 36—Articles of clothing.	Do.
Oriental.....	No. 44—Tobacco—manufactured and unmanufactured.	Do.
Aerilon.....	No. 10—Acrylic substance for dental uses.	Oct. 22
Amdopyrin.....	No. 3—Pharmaceutical product.	Do.
Mrs. Miniver.....	No. 48—Perfumery.	Do.
Noxivila.....	No. 3—Medicinal and pharmaceutical product.	Do.
Fiosalil.....	No. 3—Pharmaceutical product.	Do.
Spinder.....	No. 36—Articles of clothing.	Do.

Argentina.—The following applications for trade-mark registration were published in the *Boletin Oficial* of October 26, 1943. Opposition must be filed before November 29, 1943:

Trade-mark	Class number and commodity
Record.....	No. 10—Entire class.
Fulton.....	No. 12—Entire class.
R. B.....	No. 10—Entire class.
Fowler.....	No. 5—Entire class.
Triplex.....	No. 12—Entire class.
Flash.....	No. 2—Insecticides.

Canada's Aircraft Industry Advances

Canada now has achieved production of combat planes such as the Lancaster, Mosquito, and Curtiss Helldiver, and production figures will increase steadily, says a statement by an agency of the Dominion Government. For the first time some of these made-in-Canada first-line combat planes are being flown across the Atlantic. The nine types of aircraft being produced include four trainers, four service planes, and one transport.

The Canadian aircraft industry and plants in component manufacture now employ more than 100,000 workers, more than 25 percent of whom are women. There is a back-log of orders amounting to \$1,000,000,000.

Special plants located strategically across Canada recondition and replace into service 200 planes and 800 engines every month.

A radio broadcasting station has been established in Pontianak, West Borneo, the Japanese report. The station was scheduled to begin operations several weeks ago.



U. S. Export Control and Related Announcements

Developments communicated to the Trade Controls Unit up to Tuesday, November 23, 1943.

No. 500—Current Export Bulletin No. 133

The Office of Exports has issued Current Export Bulletin No. 133 on the following subjects:

I. Technical Data and Requisitioning Divisions Move to New Quarters.

The activities of the Technical Data Division and the Requisition Division of the Office of Exports have been transferred from 2501 Q Street to the Winter Building, 1436 U Street NW., Washington, D. C. There has been no change in the telephone number, which is EXecutive 7030.

II. Additional Countries Within Scope of General License G—SMPR.

The scope of general license G—SMPR, authorizing the exportation of sugar-mill machinery and parts thereof from Puerto Rico to certain destinations as set forth in paragraph M on page 88 of Comprehensive Export Schedule No. 12, has been enlarged to include Colombia, British Guiana, French Guiana, Surinam, Venezuela, and the French West Indies including Desirade, Guadeloupe, Les Saintes, Martinique, Marie Galante, St. Martin (northern part), and St. Bartholomew among the independent republics and destinations to which the provisions of this general license are applicable.

III. Commodities for Which the Office of Economic Warfare May Assign Preference Ratings.

Current Export Bulletin No. 129, dated October 26, 1943 (Announcement No. 496 in Foreign Commerce Weekly for November 6), is amended in accordance with paragraphs A, B, and C below:

A. Inasmuch as War Production Board release certificates are still required by the War Production Board in the case of certain proposed exportations of commodities for which the Office of Economic Warfare may assign preference ratings, it is necessary to amend Current Export Bulletin No. 129 as follows:

The phrase "or other War Production Board release certificate" should be deleted from—

Section I, paragraph A, line 5, paragraph B, line 1, paragraph E, lines 1 and 2.

B. New authorizations to assign preference ratings for OEW destinations have been received by the OEW from the WPB. The commodities covered by these authorizations are set forth below and are to be added to those commodities listed in Current Export Bulletin No. 129 as amended by paragraph C below. The procedure to be followed in submitting export license applications for these commodities where preference ratings are required is contained in Current Export Bulletin No. 129 as amended by paragraph A above:

WPB Industry Division	Schedule B No.	OMP Code No.	Commodity
Automotive.		430	Storage batteries, aircraft. ¹
		135	Carburetors (for nonautomotive uses only).
		136	Internal combustion engines: Nonmarine Diesel over 750 r. p. m. Gas over 750 r. p. m. Gasoline: Not aircraft propulsion (for nonautomotive uses only).
		156	Bearings: Babbitted, common, sleeve: Not lineshaft; not water lubricated ship stern, tube, strut, rudder shaft bearings (nonautomotive uses only).
		251	Automotive repair shop equipment.
		413	Spark plugs (for nonautomotive uses only).
		430	Industrial, lead-acid batteries. ²
		803	Manufacturers' repair parts (for nonautomotive uses only).
		(3)	Machetes.
		646	Tools, hand.
Building Materials Division. Textile, Clothing, and Leather Division.	Part of 3074.00		Cotton piece goods: Piqué and other combed yarn goods, n. e. s.
	Part of 3074.00		All other carded yarn goods, n. e. s.
	3089.00		
	3076.00		
	3079.00		
Tools	3161.00		
		831	Parts for repair and maintenance of textile machinery.
		385	Portable, metal-working electric and pneumatic tools.

¹ Formerly listed under OMP Code No. 027.

² Nickel, Iron, Alkaline, Edison Batteries not covered by OEW authority to assign rating but require PD-1A form.

C. Deletions which are to be made in the list of commodities contained in paragraph F. of Current Export Bulletin No. 129 are outlined below:

WPB Industry Division	Schedule B No.	OMP Code No.	Commodity
Textile Clothing and Leather Division: (P. 8 of Current Export Bulletin No. 129).	3061.00		All other carded yarn goods, n. e. s.
Building Materials Division: (P. 2 of Current Export Bulletin No. 129)			Tools, hand: (b) "C" clamps. (e) Ladders.
(P. 2 of Current Export Bulletin No. 129)			

IV. Ship Food Stores.

The reference to Ship Food Stores in Comprehensive Export Schedule No. 12 pages 142 and 143, item 2, paragraphs a, b, and c, is superseded by the following:

a. Food stores in the amount of 6.25 pounds, per man, per day, for the outgoing and any immediate return voyages, may be exported under general license. A tolerance of .15 pounds per man, per day, may be allowed when, due to packaging, items of food stores cannot be split up. This makes an allowable aggregate of 6.40 pounds per man per day. For the ship's safety and in port operations additional food stores may be allowed sufficient only to cover an additional 20 percent of the days required for the outgoing and return voyage.

b. The allowable weights, per group of items, per subgroups, and per item within groups are indicated in the following table. There are also conversion factors for certain items for working out food value equivalents within the groups.

For example, "dehydrated vegetables" has a conversion factor ".4." This means that each pound of dehydrated vegetables will use up 4 pounds of the total of group 6 food stores permitted under this general license.

FOOD STORES LIST

(Quantities shown are per man per day)

Group 1.—Meat, Poultry, Fish; all (not in excess of 1.00 pound).

Meat, poultry, fish, rationed (not in excess of 0.80 pound):

Meat:

Fresh.....	
Fresh boneless.....	*1.2
Canned.....	*1.2
Dried.....	*1.7
Live.....	*0.55
Fish, canned.....	
Poultry, canned.....	

Other poultry and fish (not in excess of 1.00 pound):

Poultry, fresh.....	
Fish, fresh and dried.....	
Poultry, live.....	*0.88

Group 2.—Dairy products, all (not in excess of 0.8 pound).

Cheese (not in excess of 0.12 pound).
Milk and cream, canned eight.

Group 3.—Fats, all (not in excess of 0.25 pound).

Butter (not in excess of 0.1 pound). Other fats.

Group 4.—Eggs (not in excess of 0.25 pound) (9 eggs=1 pound).

Group 5.—Sugar (not in excess of 0.25 pound).

Group 6.—Vegetables and Fruit, all (not in excess of 3.00 pounds).

Vegetables and fruits, processed (not in excess of 1.90 pounds).

Canned fruits and vegetables.

Dried fruit.*

Dehydrated vegetables (except potatoes), *.6.

Other vegetables and fruits (not in excess of 3.00 pounds).

Dehydrated potatoes, *.4.

Dry beans, peas, and nuts (not in excess of 0.05 pound).

All other vegetables and fruits.

Group 7.—Grains and Cereals, all (not in excess of 1.00 pound).

Group 8.—Beverages, all (not in excess of 0.25 pound).

Coffee.

*Conversion factor.

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for Tomorrow's
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Tea (not in excess of 0.04 pound).
Cocoa (not in excess of 0.01 pound).
Other beverages (not in excess of 0.15 pound).

Group 9.—Other Groceries (not in excess of 0.25 pound).

Jams.
Jellies.
Condiments.
Pepper (not in excess of 1.4 ounces per man per 100 days).
Other spices.

Group 10.—Tobacco (not in excess of 4 ounces).

Cigarettes (2 packages) or other tobacco (not in excess of 4 ounces).

c. The supply position with respect to certain foods will change from time to time, therefore, temporary restrictions may occasionally be necessary. The limits imposed here may be increased or removed.

d. The only exportation of food stores allowed will be those authorized under general license and foods to be used as lifeboat provisions which are licensed under individual license covering deck stores (see deck stores in Comprehensive Export Schedule No. 12).

e. The operators of the vessel shall furnish requisitions to the Collector of Customs based on the information set forth in the food stores list and shall also give:

1. Name of vessel.
2. Nationality.
3. Name of agent.
4. Approximate number of days required for the outgoing and immediate return voyage.
5. Vessels proposed itinerary.
6. Number of crew and passengers.

On the basis of this information, the Collector of Customs will permit the exportation of food stores as specified in the list.

V. Certain Rubber Automotive Replacement and Repair Parts Included in Related Commodity Groupings.

In response to requests received from exporters of automotive repair and replacement parts, certain rubber automotive replacement and repair parts, when exported solely as automotive replacement parts, may be entered on a single export license application. The list of related commodity groupings, Comprehensive Export Schedule No. 12, pages 104-105, is amended by the addition of the following item:

40a. Rubber cement, fan and generator belts, hose, packing rings, gaskets, floor mats when exported solely as automotive repair and replacement parts 2014.00, 2085.00, 2086.00, 2088.00, 2093, and 2094.00.

When these commodities are entered on a single export license application, it should be clearly stated that they are required solely for automotive repair and replacement purposes. It is essential that the total net weight of each item, and the net weight of the total rubber content of each item be stated.

VI. Air Cargo Priorities.

Requests for air priority ratings for cargo exported to Puerto Rico, Alaska, Hawaii, and the Virgin Islands should be made to the Division of Territories and Island Possessions, Department of the Interior, Washington 25, D. C., telephone REpublic 1820, Extension 664 or 685. This supplements information regarding air cargo priorities on pages 141-142 of Comprehensive Export Schedule No. 12.

New printings of forms will bear FEA form numbers. Forms presently in use now bear BEW and OEW form numbers and will continue in use until present supplies are exhausted. References in the Current Export Bulletin apply to existing forms.

Volta Redonda

(Continued from p. 4)

to manufacturers in the booming Paulista metropolis. In preparation for this, the railroad is being electrified and tunnels are being widened. Iron ore for the plant will be supplied by Brazil's rich

Latin American Exchange Rates

NOTE.—Averages are based on actual selling rates for sight drafts on New York, in units of foreign currency, per dollar with the following exception: Cuba—United States dollars to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to the dollar.

Country	Unit quoted	Type of exchange	Average rate			Latest available quotation		
			1941 (Annual)	1942 (Annual)	Sept. 1943 (Monthly)	Rate	Approximate equivalent in U. S. currency	Date, 1943
Argentina	Paper peso	Oficial A	3.73	3.73	3.73	3.73	\$0.2681	Oct. 16
		Oficial B	4.23	4.23	4.23	4.23	.2364	Do.
		Bid	4.88	4.94	4.94	4.94	.2024	Do.
		Free market	4.24		4.00	4.00	.2500	Do.
Bolivia	Boliviano	Controlled	43.38	46.46	42.42	42.42	.0236	Oct. 26
		Curb	54.02	49.66	44.50	44.50	.0225	Do.
Brazil	Cruzeiro	Oficial	16.50	16.50	16.50	16.50	.0606	Oct. 15
		Free market	19.72	19.64	19.63	19.63	.0509	Do.
		Special free market	20.68	20.52	20.30	20.30	.0493	Do.
		Oficial	19.37	19.37	19.37	19.37	.0516	Oct. 30
Chile	Peso	Export draft	25.00	25.00	25.00	25.00	.0400	Oct. 23
		Curb market	31.78	31.75	31.70	31.80	.0314	Oct. 30
		Free	31.15	31.13	31.00	31.00	.0323	Do.
		Gold exchange	31.15	31.13	31.00	31.00	.0323	Do.
Colombia	do	Mining dollar	31.35	31.13	31.00	31.00	.0323	Do.
		Agricultural dollar	31.15	31.13	31.00	31.00	.0323	Do.
		Controlled	1.76	1.75	1.75	1.75	.5714	Oct. 23
		Bank of Republic	1.76	1.76	1.76	1.76	.5682	Do.
Costa Rica	Colon	Stabilization Fund	(¹)	(²)	(³)	(⁴)	(⁵)	Do.
		Curb	1.86	1.77	1.75	1.75	.5714	Do.
		Uncontrolled	5.85	5.71	5.63	5.65	.1770	Oct. 30
		Controlled	5.62	5.62	5.62	5.62	.1779	Do.
Cuba	Peso	Free	.98	1.00	1.00	1.00	1.00	Oct. 23
Ecuador	Sucre	Central Bank (official)	15.00	14.39	14.10	14.10	.0709	Sept. 30
Honduras	Lempira	Oficial	2.04	2.04	2.04	2.04	.4902	Do.
Mexico	Peso	Free	4.86	4.85	4.85	4.85	.2052	Do.
Nicaragua	Cordoba	Oficial	5.00	5.00	5.00	5.00	.2000	Oct. 30
		Curb	5.93		5.24	5.25	.1887	Do.
Paraguay	Paper peso	Oficial		333.00	333.00	333.00	.0030	Sept. 30
Peru	Sol	Free	6.50	6.50	6.50	6.50	.1538	Oct. 30
Salvador	Colon	do	2.50	2.50	2.50	2.50	.4000	Do.
Uruguay	Peso	Controlled	1.90	1.90	1.90	1.90	.5263	Oct. 23
		Free	2.31	1.90	1.90	1.90	.5263	Do.
Venezuela	Bolivar	Controlled	3.28	3.35	3.35	3.35	.2985	Do.
		Free	3.74	3.45	3.35	3.35	.2985	Do.

¹ Under law of October 6, 1942, the cruzeiro became the unit of currency, replacing the milreis. Since November 1, 1942, exchange quotations have been in terms of cruzeiros and centavos to the dollar.

² Established March 25.

³ For class 2 merchandise, 1.785; class 3, 1.87; class 4, 1.195.

⁴ For class 2 merchandise, 1.785; class 3, 1.775; class 4, 1.785.

⁵ July 24-December 31.

NOTE.—Special rates apply to automotive equipment and agricultural machinery imported from the United States into Argentina.

deposits to the north, and Brazilian coal, which has been found to have suitable coking qualities, will come from the Santa Catarina fields in southern Brazil. In both cases transportation will be an important factor.

While Brazil has several small steel mills operating now in the State of Minas Gerais, their annual total output is limited to about 200,000 tons of nonstructural steel. Volta Redonda will provide the structural beams, tracks, and plates which Brazil needs.

A Signal Opportunity

The mill represents an opportunity for employing national raw materials and national labor, giving to Brazilian engineers more experience and knowledge of industrial questions. That is the view expressed by President Getulio Vargas. Inspecting the plant a few months ago with Paraguay's President Morinigo, the Brazilian Chief Executive praised the assistance of the United States in the project and added: "Volta Redonda will be a mark of our civilization, an example

so convincing that it will banish all doubts and apprehensions about the future, instituting in our country a new standard of living and a new mentality."



SQUEEZE PLAY FROM BOTH SIDES OF THE COUNTER.

New Books and Reports

★ The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. *Please note:* The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Current Interest Appearing in the Department of State Bulletin November 13, 1943.

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., for the price of 10 cents each; subscription price, \$2.75 a year. The November 13 issue contains these articles:

SIGNATURE OF AGREEMENT FOR UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION:

Address by the President of the United States.

List of Signers.

THE TRIPARTITE CONFERENCE IN MOSCOW: REMARKS OF THE SECRETARY OF STATE UPON RETURN TO WASHINGTON.

BOMBING OF THE VATICAN.

EXCHANGE OF AMERICAN AND JAPANESE NATIONALS.

STATEMENT BY THE SECRETARY OF STATE ON THE EIGHTH ANNIVERSARY OF THE ESTABLISHMENT OF THE PHILIPPINE COMMONWEALTH.

REPORT OF THE PRESIDENT TO THE CONGRESS ON REVERSE LEND-LEASE AID TO THE UNITED STATES.

NOTE FROM THE SPANISH GOVERNMENT REGARDING MESSAGE OF SPANISH FOREIGN MINISTER TO THE PHILIPPINE PUPPET GOVERNMENT.

DOCUMENTS REGARDING THE BOMBING OF THE U. S. S. *Tutuila* AT CHUNGKING IN JULY 1941.

DECISION TO SUPPRESS THE USE OF OPIUM IN BRITISH AND NETHERLANDS TERRITORIES IN THE FAR EAST.

ECONOMIC COOPERATION WITH HAITI.

DESIGNATION OF SPECIAL ADVISERS ON FOREIGN-POLICY ASPECTS OF WARTIME ECONOMIC ACTIVITIES (DEPARTMENT OF STATE).

EMBASSY RANK FOR REPRESENTATION BETWEEN THE UNITED STATES AND CANADA.

Other Publications

TWELFTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS—REVERSE LEND-LEASE AID FROM THE BRITISH COMMONWEALTH OF NATIONS. Office of Lend-Lease Administration. 1943. 10 pp.

Available from: Office of Lend-Lease Administration, Washington 25, D. C.

TERMINATION OF WAR CONTRACTS. Chamber of Commerce of the United States. 1943. 19 pp. Testimony of Chamber before House Committee on Military Affairs, October 25, 1943.

Available gratis from: Finance Department, Chamber of Commerce of the United States, Washington 6, D. C.

FEDERAL TAXATION: TREASURY PROPOSALS FOR 1944. Chamber of Commerce of the United States. 1943. 62 pp. Testimony of the Chamber Committee on Federal Finance before Committee on Ways and Means, October 12, 1943.

Available gratis from: Finance Department, Chamber of Commerce of the United States, Washington 6, D. C.

QUARTERLY BULLETIN OF CHINESE BIBLIOGRAPHY (ENGLISH EDITION). The Chinese-American Institute of Cultural Relations and The National Library of Peiping. 1943. New Series Vol. III, Nos. 1-2. 94 pp. Price, \$1.50. Includes discussion of the progress of political reform in wartime China and industrialization program for post-war China. Final section lists selected books and periodicals in Chinese and in Western languages, Government publications, and new periodicals.

Available from: Executive Offices of the American Council of Learned Societies, 1219 Sixteenth Street NW., Washington 6, D. C.

MODERN WORLD GEOGRAPHY. Earl C. Case and Daniel R. Bergsma. 1943. 756 pp. Price, \$2.20. A political, social, and physical geography designed to tell the story of man and the resources available to him. Special attention is given to the United States, with other parts of the world treated in proportion to their economic importance to this country. Contains up-to-date statistical data and tables. Illustrated with pictures, charts, and maps, including a new air-age map.

Available from: J. B. Lippincott Co., 333 West Lake Street, Chicago, Ill.

THE MAR YEAR BOOK—RIVER PLATE SHIPPING MANUAL, 1943-1944. Editorial Mar. 1943. 12th annual ed. 415 pp. Price, \$3.50. Covers shipping regulations and all maritime matters including charges and tariffs at all Argentine and Uruguayan ports.

Available from: B. H. Porson, Representative, 21-24 State Street, New York, N. Y.

THE DANUBE BASIN AND THE GERMAN ECONOMIC SPHERE. Antonin Basch. 1943. 293 pp. Price, \$3.50. An analysis of the Danubian economy, with particular emphasis on the period since 1931. Answers such questions as: How can the backward sections of Central and Southeastern Europe be integrated with the rest of the European economy? How can these last potential economic reserves of Europe be developed? What place will Germany have in this development, and how can she be prevented from again attaining economic ascendancy, with all its political consequences? Points out that the solution of the basic difficulties of the Danube Basin could not be found

Lieut. Col. Macedo Soares e Silva ("Volta Redonda").—FOREIGN COMMERCE WEEKLY regrets that details as to the career of this distinguished Brazilian are not at this time available in the United States.

Catherine B. Welch ("Chile Looks Toward Bigger Coal Output") studied at George Washington University and the University of Illinois; received an A. B. majoring in Romance Languages with a minor in English. Served as Research Clerk in the Bureau of Foreign and Domestic Commerce; as Assistant for Control, Compliance Division, N. R. A.; as Administrative Assistant, Urban Study of Consumer Purchases; and as Exemptions Examiner, Wages and Hours Division, Department of Labor. Returned to Bureau of Foreign and Domestic Commerce in March 1942 as Business Assistant in the Industrial Projects Unit.

in Germany's "new order," but requires world study.

Available from: Columbia University Press, 2960 Broadway, New York 17, N. Y.

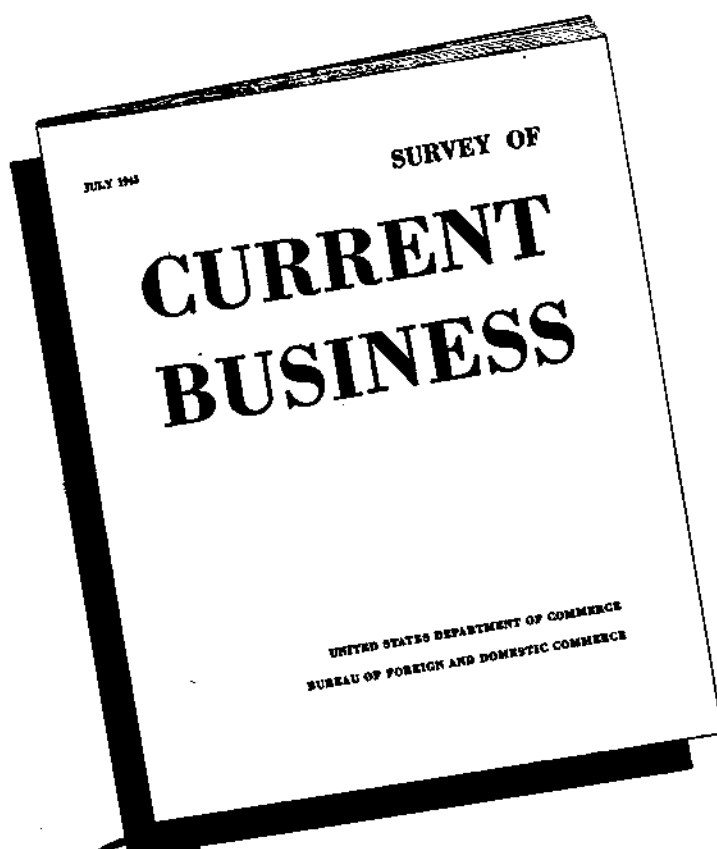
WORLD NEEDS FOR U. S. FOOD AND FIBER. John D. Black. 1943. Planning Pamphlets Nos. 25 and 26. 71 pp. Price, 50 cents. An analysis of the world's needs for food and fiber of agricultural origin and the part to be played by the United States in supplying them during the war years, in the transition period of demobilization and conversion in this country and relief and rehabilitation in other countries, and in the first years following complete transition.

Available from: National Planning Association, 800 21st Street NW., Washington 6, D. C.

POST-WAR PLANS OF THE UNITED NATIONS. Lewis L. Lorwin. 1943. 319 pp. Price, \$2.50. A survey and summary of proposals and programs for reconstruction promulgated by the various United Nations. Separate sections are devoted to the United States, Great Britain, the Soviet Union, China, Canada, Australia, Latin America, India, New Zealand, Governments-in-Exile, and others. Plans discussed include those of government agencies, labor organizations, and business and social-welfare groups of each nation.

Available from: The Twentieth Century Fund, 330 West 42d Street, New York 18, N. Y.

There were 65 telegraph offices in operation in the Philippine Islands in July, the Japanese claim. Service with Thailand had also been reestablished. Telephone systems were reported to be functioning in 31 cities in the Philippines.



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per year

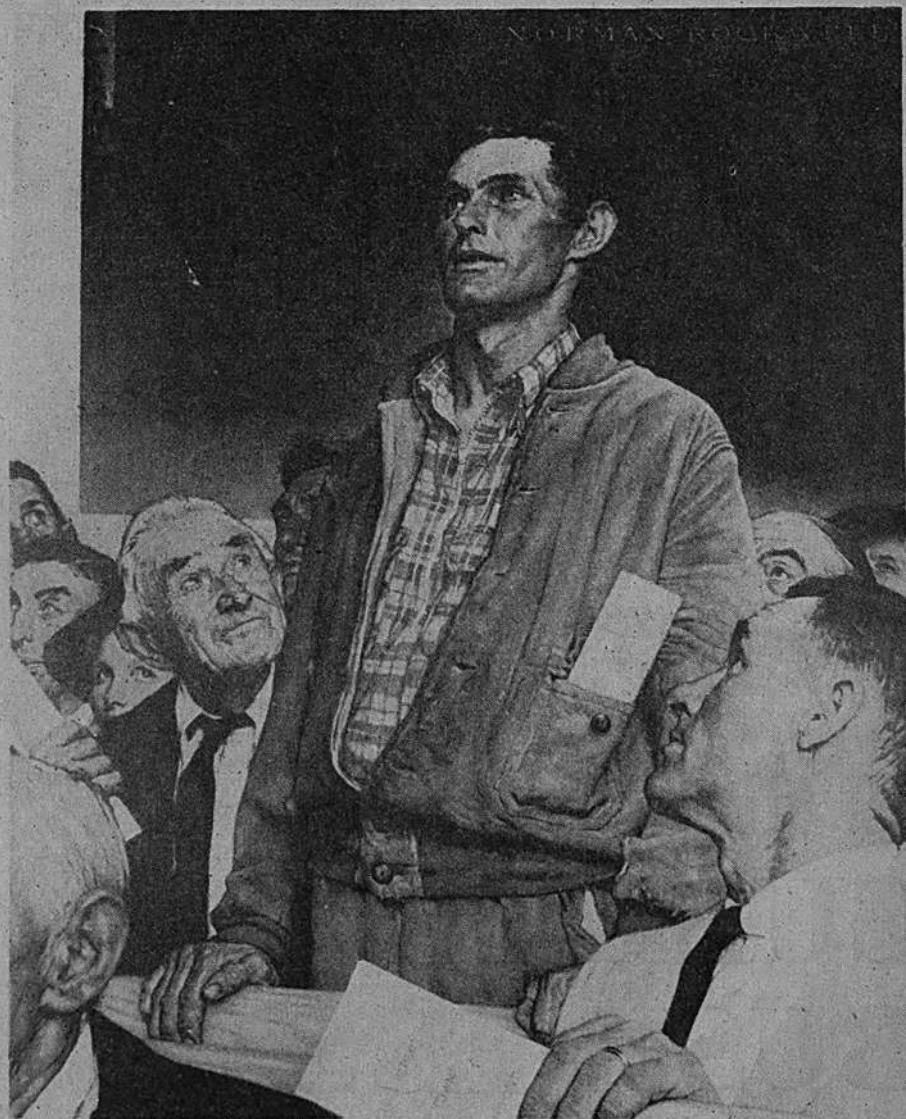
SURVEY OF CURRENT BUSINESS

THIS AUTHORITATIVE MONTHLY PERIODICAL makes easily available to businessmen over 2,200 comprehensive facts about production, stocks, orders, prices, sales, shipments, etc., of the industries of the United States by means of text, tables, charts, and index numbers.

A sample copy will be sent, on request to the
Bureau of Foreign and Domestic Commerce,
Washington, D. C.

\$1.75 per year, from the Superintendent of Documents, Government Printing Office, Washington, D. C.

SAVE FREEDOM OF SPEECH



BUY WAR BONDS

U.S. Paper No. 22. A reduced copy may be obtained upon request from the Division of Public Security, Office of War Information, Washington, D.C.

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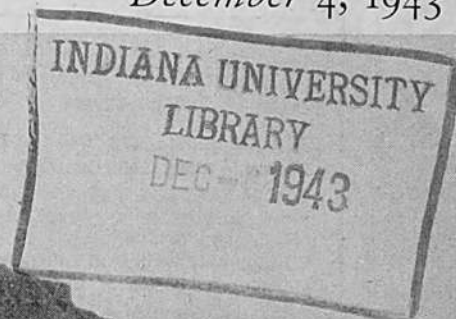
Foreign Commerce

WEEKLY

Vol. XIII, No. 10



December 4, 1943



MUSCAT, IN ARABIA



Foreign Commerce Weekly

Summary Functions: The Bureau of Foreign and Domestic Commerce is to foster, promote, and develop the foreign and domestic commerce of the United States. [Law creating the Bureau, Aug. 23, 1912 [37 Stat. 498]]

Issued by the UNITED STATES DEPARTMENT OF COMMERCE, BUREAU OF FOREIGN AND DOMESTIC COMMERCE

THIS WEEK

Arabia.....	3
Flax Flares to New Prominence.....	10
Sweden's Aerial Cableways.....	12
Foreign Trade—American Way.....	13

DEPARTMENT OF COMMERCE FIELD SERVICE

Atlanta 3, Ga., 603 Rhodes Bldg.
Boston 9, Mass., 1800 Customhouse.
Buffalo 3, N. Y., 242 Federal Bldg.
Charleston 3, S. C., Chamber of Commerce Bldg.
Chicago 4, Ill., 357 U. S. Courthouse.
Cincinnati 2, Ohio, Chamber of Commerce.
Cleveland 14, Ohio, 750 Union Commerce Bldg.
Dallas 2, Tex., Chamber of Commerce Bldg.
Denver 2, Colo., 566 Customhouse.
Detroit 26, Mich., 371 New Federal Bldg.
Houston 14, Tex., 603 Federal Office Bldg.
Jacksonville 1, Fla., 425 Federal Bldg.
Kansas City 6, Mo., 724 Dwight Bldg.
Los Angeles 12, Calif., 1540 U. S. Post Office and Courthouse.
Memphis 3, Tenn., 229 Federal Bldg.
Minneapolis 1, Minn., 201 Federal Bldg.
New Orleans 12, La., 508 Maritime Bldg.
New York 18, N. Y., Room 1950, 500 Fifth Ave.
Philadelphia 2, Pa., 1510 Chestnut Street.
Pittsburgh 19, Pa., 1013 New Federal Bldg.
Portland 4, Oreg., Room 313, 520 S.W. Morrison St.
Richmond 19, Va., Room 2, Mezzanine, 801 E. Broad St.
St. Louis 1, Mo., 107 New Federal Bldg.
San Francisco 11, Calif., 307 Customhouse.
Savannah, Ga., 403 U. S. Post Office and Courthouse Bldg.
Seattle 4, Wash., 809 Federal Office Bldg.

News by COUNTRIES

Brazil.....	14	French North Africa.....	19
British West Indies.....	14	Haiti.....	19
Canada.....	14	Hungary.....	19
Chile.....	16	Mexico.....	19
China.....	17	Netherlands West Indies.....	20
Colombia.....	17	Nicaragua.....	20
Cuba.....	17	Paraguay.....	20
Dominican Republic.....	17	Southern Rhodesia.....	21
El Salvador.....	18	U. S. S. R.....	21
France.....	19	Uruguay.....	21

News by COMMODITIES

Beverages.....	22	Medicinals and Crude Drugs.....	26
Chemicals.....	22	Metals and Minerals.....	27
Construction.....	22	Naval Stores, Waxes, and Resins.....	28
Electrical Machinery and Equipment.....	23	Oils, Fats, and Oilseeds.....	28
Foodstuffs and Allied Products.....	23	Petroleum and Products.....	29
Iron and Steel.....	25	Refrigeration.....	29
Leather and Related Products.....	25	Shipbuilding.....	30
Lumber and Products.....	25	Soaps, Toiletries, and Essential Oils.....	30
Machinery, Other Than Electrical.....	26	Textiles and Related Products.....	30
		Tobacco and Related Products.....	30

REGULAR DEPARTMENTS

United States Export Control and Related Announcements.....	35	New Books and Reports.....	34
Trade-Mark Applications.....	32	Pertinent Comments on World Economy Today.....	15
Latin-American Exchange Rates.....	33	Contributor's Column.....	36

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ARABIA—

Royal Visits, War Strategy, Questions of OIL, Trade-Route Factors, Turn World Businessmen's Eyes Toward the Ancient, Picturesque Peninsula

CAN BLACK OIL beneath the desert's sands cause green fields and groves to flourish on its surface? This question appears as the crux of the economic development of the Arabian Peninsula—particularly and directly of Saudi Arabia, the central and largest country, and indirectly of the smaller countries fringing the peninsula.

The scarcity of fertile land and the pervasive influence of the Moslem creed are the dominating factors in Arabian life. Of its million square miles, probably not more than one-fourth of the area of the peninsula is cultivable. It provides a bare existence for most of its inhabitants, who number perhaps 10,000,000. Desert—sand, gravel, and bed-rock, relieved by dry dusty steppes of coarse vegetation—covers most of the land. Vast areas will not support a settled population, and over these roam the nomad Bedouins with their flocks of sheep, goats, and camels, seeking peripatetic pasturage.

This scattered population is naturally decentralized, necessarily self-sufficient and independent to a large extent. Obviously, any attempt to achieve national unity, or to develop the resources of the country, must start with the settling of the nomads. A transition from pastoral to agricultural pursuits is the normal development, retarded here because of the nature of the land. The present policy in Saudi Arabia, of expanding agriculture through irrigation and of using the revenue from oil concessions to finance the projects, is extremely interesting, both economically and sociologically.

A Pastoral Land

Based as it is on a predominantly pastoral economy, the peninsula has been faced with a shrinking market. The demand for its camels has been steadily decreasing owing to the development of motor transport in the countries of import, and even in Arabia itself. The demand for the famed Arabian horses, the "drinkers of the wind," has also declined. The wool of its sheep and hair of its goats are only of limited importance in export trade, where the chief market has been for hides and skins and clarified butter or ghee. Of its agricultural land, perhaps 90 percent is given over to the cultivation of dates, the staple food of the inhabitants. But dates must also be imported to fill Arabia's needs. Since

By MARY A. NEILAN, *British Empire Unit, Bureau of Foreign and Domestic Commerce*

the supply position in neighboring countries has become critical, it is quite probable that the export market for the country's livestock has, of late, greatly improved.

At the same time, Arabia, never self-sufficient in food, has been faced with an increasingly grave supply problem. Rice, a staple food, has always been almost entirely imported, and tea, coffee, and sugar have also been major imports. The cutting off of sources of supply and the shortage of shipping have created a difficult situation.

Handicrafts and Old Arts

With neither coal nor water power, and very little iron, manufacturing has not developed. Some gold and silver work

and a small amount of native cloth are the only manufactured exports. Dyeing, tanning, straw-plaiting for baskets and hats, flour milling, charcoal burning, and boat building are the chief native industries. All of these are practiced on a small handicraft scale.

Of all the old arts for which Arabia was famous in the days when goods from India came by sea to be sent overland to Egypt, that of perfumery is most interesting today. The kingdom of Sheba in Yemen was probably the cradle of the art. Here spices, gums, and resins from different lands were assembled, and caravans laden with frankincense and myrrh departed. The Arab's first luxury is perfume. It is used to scent clothing and person, and the air is laden with the fumes of incense. The perfume censer is an important feature of every room, and an essential part of religious rites.

Arabia produces many of the ingredients of its scents—frankincense and myrrh and dakkar in Dhofar and the



Main square in Aden, Arabia.

Photo by Ewing Galloway

Hadhramaut, sweet-scented flowers and herbs in Yemen, and leiban on the Red Sea coast, while ambergris is found washed up on the coasts near Aden. Aloes and musk are imported from India, civet from North Africa, and essential oils from many countries.

While some of the perfume merchants have salesrooms and use modern methods of distilling, merchants are still found in the bazars, distilling over a charcoal brazier, mixing their perfumes in little vials, and selling them by their weight in silver—the gilded glass bottle balanced by bits of glass, and the perfume poured to balance the weight of the silver coin.

The oil wells and refineries, the salt works, and one gold mine are Arabia's only industries of any size.

Topography Unpromising

Although the greater part of the Arabian peninsula is desert or steppe, frequented only by nomad tribes and their flocks, this is by no means true of the entire Arabian country. Some account of the topography is needed to explain the distribution of fertile and arid land.

The Red Sea to the west, the Arabian Sea to the south, the Persian Gulf to the east, and the great sea of sand, the Nafud, to the north, surround Jesirah, the Isle of the Arabs. The Nafud stretches north into Palestine, Transjordan, and Iraq. The land rises from the seas as a tilted rectangular shelf, 1,200 miles at its greatest length and 700 miles in mean width—roughly equal to the area of the

United States between New York City and Chicago and the Gulf Coast. It rises sharply to the mountains of the western seaboard and slopes gently eastward to the Persian Gulf. In the southeast corner, an extension rises into a mountainous headland on the Gulf of Oman.

Along the west coast, the mountains level off toward the center of the coastline and then rise to heights of over 10,000 feet in the far south. The northern half of this coastal section is called the Hejaz. Below the Hejaz, as the mountains begin to rise again, lies Asir, and below Asir, in the southwestern corner of high ranges and plateaus, lies Yemen. The highlands of Yemen and Asir are visited by autumnal monsoons; their steep rise causing such complete precipitation that little or no moisture passes over them to the interior. The rest of the western coast range is visited by infrequent storms throughout its length.

The mountainous western section of the southern coast is known as the Aden Protectorate, and the eastern plain is part of Oman. Between the plateau and mountains of Aden and the flat plain to the east lies Dhofar, the westernmost part of Oman, a small but fertile maritime plain surrounded by a crescent of hills. The projecting butt of land off the southeast corner rises to a mountain range almost as high as that in the southwest and, like it, causes such complete precipitation that no rain passes over it to the interior. This range, with the coastal plain beyond it, is the eastern part of Oman. The strip of curved coastline along the north of Oman is

known as Trucial Oman. North of Trucial Oman along the Persian gulf coast lies Hasa, and between Hasa and the southern border of Iraq lies the small country of Kuwait. Along this eastern coast stretches a gravel plain bordered by sandy desert, from the Rub'el Khali in the south to the northern border.

Central Plain

The central plain consists of the Nafud, or sand-dune desert, in the north. Below the Nafud are the highland oases of Jebal Shammar, followed by a district of discontinuous but fertile oases through the center, and below this the steppes merge into the great southern desert; the Rub'el Khali or Empty Quarter, which comprises perhaps a third of the total area of the peninsula. This central section, from the northern border to the Rub'el Khali and from Hejaz and Asir in the west to Hasa in the east, is known as the Nejd. The Nafud and Jebal Shammar receive sufficient showers from the Mediterranean to produce good spring pasture.

Fertile Areas—and Desert

There are no rivers in Arabia, but there are streams in Asir, Yemen, Aden, Hasa, Oman, and the Nejd, and many river valleys or "wadis," which carry flood waters after rain storms. On these and on ground-water wells depend the fertile sections of the country. Fairly heavy rainfall in Yemen and Asir, and the valley of the Wadi Hadhramaut, make the southwest the most fertile section, Arabia Felix. Oman has some rainfall, and wells provide surface water for irrigating the Batinah and Sharquiyah date gardens.

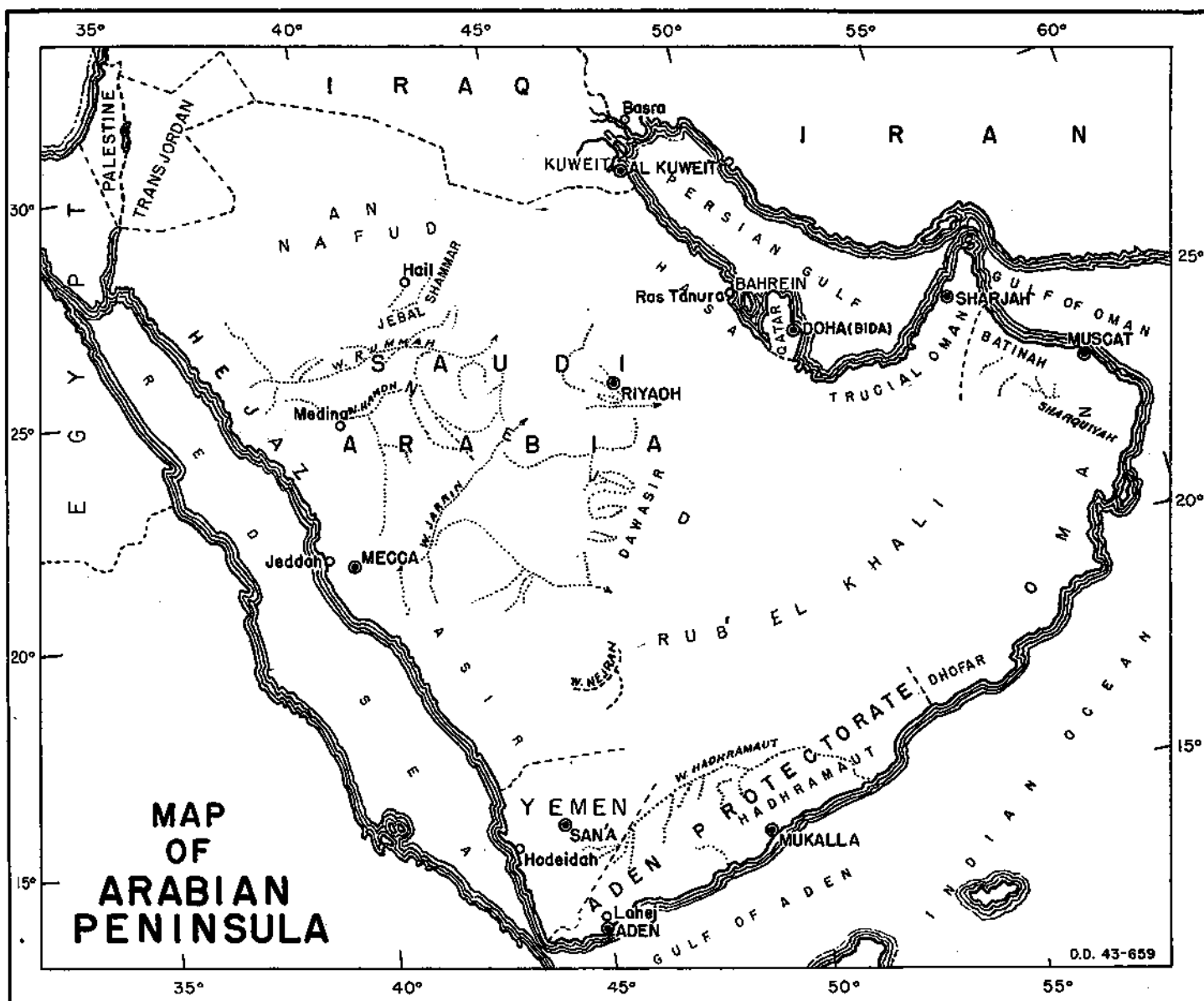
The oases of the Nejd are found along the wadis indicated on the map on page 5. Ground water is plentiful in the Hasa. The Hejaz has very little cultivation except above Medina. The Rub'el Khali is the great dry desert. Here there may be no rain for a decade, and the old river beds are simply depressions in the sand and gravel. Even so, some fodder for camels is found in various desert shrubs which live through the long droughts, and old wells of great depth are known to the Bedouins.

Social, Financial, Structure

The people of the peninsula are Semitic in race, Arabic in language. In large part, they are members of nomad Bedouin tribes, tracing their lineage to the sons of Abraham, though a few nomad tribes are non-Bedouin. Manual labor is scorned by the Bedouin, and the non-Bedouins, such as the Salubba, who maintain their own tribal organization, and the Sunna, who attach themselves to various Bedouin tribes, are the craftsmen of the country, the smiths, tinkers, carpenters, and cattle surgeons. There is some admixture of Negro blood in the southern coastal districts, in Yemen, Oman, and especially in Dhofar. A large colony of Jews, from 50,000 to 80,000, is found in Yemen, where they form the artisan class.



Photo by Ewing Galloway
Typical picturesque street in Jeddah, in Saudi Arabia.



No surveys have been made of the countries of Arabia, and no census of its peoples, but the area and population of the political divisions are approximately as follows:

	Area in square miles	Population
Saudi Arabia	350,000	5,250,000
Yemen	75,000	3,500,000
Bahrain	250	120,000
Aden Colony and Protectorate	112,000	250,000
Oman	82,000	400,000
Kuwait	6,000	180,000
Trucial Oman		60,000
Qatar		25,000

180,000 in Kuwait Town.

The cities, towns and villages are those of an earlier age—walled cities with watchtowers, or fortress-like clusters on the mountainsides. The coastal villages, in less danger of raiding, are simple groups of mud or matting huts. Except for the pilgrim cities and a few ports, they are centers of neither production nor trade. The nomad folk intermarry with settled folk, and the chiefs often

have property in the towns. The settled population is dependent on the nomads for transportation. The tribes exchange their livestock, hides, and butter for dates, rice, and piece goods through brokers in the towns—in large part by barter.

The countries of Arabia possess no well-organized currency and banking structure. Currency in circulation is composed in part of coins minted for some of the countries, but also in large part of coins and notes of other countries. The Maria Theresa thaler of Austria is the most common currency in the interior. Indian rupees are common on the coast. The exchange value may fluctuate because of changes in the price of silver and also because of the scarcity of the coin in the country, or even the region, concerned.

Commercial relations with the outside world are limited, and the few transactions are financed in terms of sterling, the Indian rupee, or other well-known currency. The Netherlands Trading

Co.'s branch at Jeddah and a branch of the Bank of India in Aden are the outstanding banking institutions of the peninsula. The branch offices of some of the larger European companies in the ports also deal in exchange.

Trade Flows Through Few Ports

Trade statistics of the independent and semi-independent states of the Arabian peninsula are lacking. However, a picture of the goods produced and consumed in these countries can be gained from the trade statistics of the British Colony of Aden, which serves as an entrepôt for the peninsula. Direct trade to the various countries is limited by the fact that the other ports are not equipped to accommodate large ocean steamers, and because trade in many commodities is so small that it does not warrant calls at these ports.

Large consignments, such as oil, automotive vehicles, and gold, warrant direct trade. Much of the trade with India, a

chief source of supply for many imports, is carried on directly by dhows. For the rest, cargo is landed at Aden and reexported to smaller ports in dhows. The neighboring countries of Yemen and the Protectorate carry on a larger proportion of their trade through Aden than do the more remote countries of the peninsula.

The trade report of Aden for 1939, the latest year available, shows certain characteristics in the trade of the Yemen, the Aden Protectorate, and Saudi Arabia (see tables I and II).

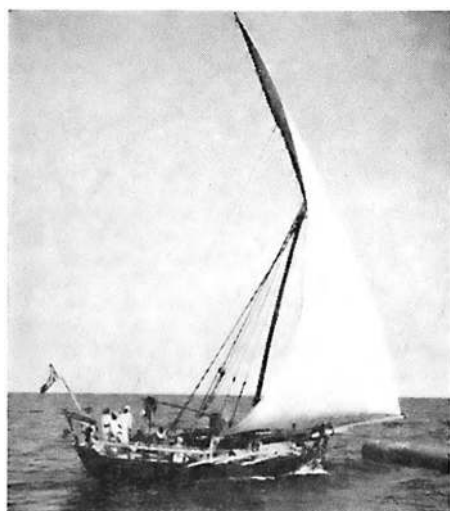
TABLE I.—Exports from Aden to countries of the Arabian Peninsula, 1939

(In U. S. dollars)¹

Commodity	Yemen	Saudi Arabia	Aden Protectorate	Muscat, Oman, Trucial Oman, and Kuwait
Rice	\$24,932	\$33,604	\$78,064	\$5,024
Wheat flour	40,668	26,786	8,959	—
Jawar and bajra	522	—	80,029	—
Ghee	619	47,877	19,001	—
Coffee	371	36,871	20,238	3,174
Fruit	30,257	35,167	5,928	—
Spices	60,507	52,167	34,319	—
Sugar	128,012	42,994	63,880	3,108
Tobacco, cigarettes, etc.	248,088	38,122	13,061	859
Sesamum	—	—	28,586	—
Other seeds and nuts	5,081	6,496	3,840	—
Sesamum oil	4,486	1,509	3,030	—
Frankincense	699	751	1,009	—
Tanning substances	13,920	1,439	7,365	3,243
Earthenware	4,726	1,369	1,099	—
Glassware	10,876	2,140	2,203	—
Nonferrous metals and manufactures	3,123	1,579	7,547	—
Hardware and cutlery	8,381	2,753	6,786	1,865
Cotton yarns	98,694	901	22,732	—
Cotton piece goods	1,006,572	245,356	174,804	4,146
Dyestuffs	37,835	5,085	11,793	—
Kerosene	4,157	710	6,259	—
Soap:				
Domestic product	9,799	11,794	5,245	—
Other	14,675	7,073	4,080	—
Paper and stationery	11,508	4,385	3,458	—
Motor cars	2,629	1,830	12,849	—
Motor chassis	4,493	—	2,163	1,697
Tires and tubes	2,225	—	3,781	—
Parts and accessories	5,061	—	3,285	—
Safety matches	9,035	3,859	6,425	—

¹ Converted from rupees, on basis of 1 rupee equalled \$0.332791 in 1939.

The harbors at Kuwait, Matrah, and Bahrain serve the eastern part of Arabia, and Aden's entrepôt trade with the eastern countries is small. Pearls and oil



Arab boat under full sail.

Crags, Caves, and "Castles" in the Yemen

As we climbed upward over the twisting road the grandeur of the mountains steadily increased, until we found ourselves in a region of high, castellated peaks. They seemed to have been carved from sandstone—bare fingers pointing skyward and immense mesa-crowned reaches creased by chimneys and striated by tilted strata of harder stuff under which opened caves. Most of these caves were inhabited, a screen of durra stalks at the mouth giving some privacy to the lives of the occupants. Fires burned just within the lips of these caves, and the smoke curled up, licking the blackened surface of the overhanging rock. Children sat on the edges of the floors watching us, their feet dangling over the sides. Life in a cave in the Yemen seemed little different from cave life in the Stone Age in Europe. There can hardly have been fewer conveniences in that remote period.

As we mounted, the terracing which faced the steep concavities of the mountains became more intricate until in places a hundred and more terraces arose without interruption one above another from the river's edge to the beginning of steep cliffs. The houses now took on a totally different aspect; they are tall, square structures, four to six stories high and taller than they are long or wide. They taper as they go upward, and the narrow roofs are flat, with battlemented borders. The lower stories are broken only by loopholes for defense, while the upper portions possess ornate windows, with whitewash splashed around the outside of the sills and crisscross white designs between them.

These houses are perched on the tops of spindly spires of rock and on the edges of cliffs, in the most impossible places one could imagine.

The whole landscape took on a distinctly fantastic aspect, with these unreal castles in their needle-like rocky setting, with the lush green terraces beneath and terrific high domes and peaks above, all in the orange light of sunset. It seemed magical, unreal.

We continued to climb over a back-breaking road . . .

(From "Measuring Ethiopia, and Flight Into Arabia," by Carleton S. Coon. Publishers: Little, Brown & Co., Boston, Mass.)

TABLE II.—Imports into Aden from countries of the Arabian Peninsula, 1939

(In U. S. dollars)¹

Commodity	Yemen	Saudi Arabia	Aden Protectorate	Muscat, Oman, Trucial Oman, and Kuwait
Jawar and bajra	\$27,099	\$47,538	—	—
Pulse	19,553	2,606	—	—
Ghee	28,074	1,121	\$1,225	—
Coffee, raw	245,447	11,915	1,297	\$532
Dates	—	—	728	7,319
Fish	2,279	—	38,925	1,203
Currents and raisins	4,419	—	614	—
Tobacco	—	606	119,450	—
Firewood	1,710	—	11,697	—
Sesamum	1,731	—	6,313	—
Frankincense	—	—	29,875	—
Hides and skins:				
Cow	17,705	659	1,617	—
Calf	11,542	383	—	—
Goat	61,529	28,666	3,684	—
Sheep and lamb	46,333	49,927	1,030	—
Kidskins	9,078	—	616	—
Mother-of-pearl shell	—	769	5,901	—
Dyed cotton piece goods	631	—	6,158	532
Gunny bags	4,720	1,774	464	—

¹ Converted from rupees, on basis of 1 rupee equalled \$0.332791 in 1939.

NOTE.—Fuel oil from Bahrain Islands: \$237,009.

are the chief exports from Kuwait and Bahrain, and imports are much the same as for the other countries of the peninsula.

The chief imports of Muscat and Oman in 1938-39 were: rice, 1,550,154 rupees; coffee, 225,161 rupees; sugar, 129,241 rupees. Dates are the principal export, valued at 1,145,043 rupees in 1938-39. Pomegranates, limes, and dried figs form the other major exports.

The only recent information available regarding United States trade with the peninsula is for Saudi Arabia. This

trade reflects the needs of the new oil and gold industries. In 1940, of United States exports to Saudi Arabia, steel-mill manufactures were valued at \$977,000, of which \$744,000 represented tubular products and fittings. Of industrial machinery, valued at \$848,000, \$536,000 represented mining machinery. The major export from the United States was automotive vehicles and parts, valued at almost \$1,400,000. Exports of petroleum products and fuel amounted to \$270,000, about \$50,000 less than in 1939. Other United States exports to Saudi Arabia include food and canned vegetables, rubber and rubber manufactures, wood and paper products, agricultural machinery and implements, and chemicals. The total value of exports was \$3,741,000. United States imports from Saudi Arabia totaled \$1,037,000, of which sheep and lamb skins accounted for \$154,000, goat and kidskins \$300,000, and raw coffee \$511,000.

Kingdom of Saudi Arabia

The largest political division of Arabia is the Kingdom of Saudi Arabia. This includes the Hejaz, Asir, the Nejd and Hasa, and extends 900 miles along the Red Sea and 300 miles along the Persian Gulf. It is bounded by the countries of Palestine, Transjordan, and Iraq on the north and by the Rub'el Khali on the south. King Ibn Saud's power stretches even into the great desert, but boundaries of all countries along the desert are indeterminate.

To the Moslem, this country is the land of heart's desire. In Spain, Egypt, Morocco, India, Malaya, or wherever he may be, he turns toward Mecca at the hours of prayer. Through its spiritual

riches the peninsula compensates for its physical poverty, as Moslems from all quarters converge on Mecca each year during the Hegira. Arabia, like the vacation paradises of the West, has typically imported its needs and exported the specie derived from its tourists, the pilgrims.

This Kingdom was welded from several smaller states by its present king, Ibn Saud, who supplements his personal and administrative vigor with policies of agricultural settlement and the influence of religion. Under his rule, agricultural settlements were begun where members of the Bedouin tribes are to live together in the brotherhood of their religion.

Oil: Vital Resource

In 1933 King Ibn Saud granted a United States company an oil concession covering 165,000 square miles, and, in 1939 an area of 89,000 square miles was added. Today, royalties and taxes from these wells form the principal revenue of the kingdom, excluding the British subvention. The capacity of the present wells at Dammam, 23 miles inland from Ras Tanura on the Persian Gulf, is 100,000 barrels a day. Just before the present war disrupted the plans of nations great and small, the King, with a new and apparently dependable source of income, had inaugurated plans for developing his country by irrigation. This work is being carried out even now, but the difficulties of securing the necessary machinery have impeded its progress, at the same time that oil production (and hence royalties) has been sharply curtailed, principally because of a lack of shipping space.

Responding to a request of the King, an agricultural mission from the United States visited the country in 1942 to investigate water resources and to suggest improvements in irrigation, crops, and livestock. Construction is going on in the El Kharj irrigation district, and eventually the resources of the country may be developed to the point where the food needs of the population can be supplied mainly by domestic production.

The "Ikhwan"

Ibn Saud's agricultural colonies, the Ikhwan, received considerable attention in their earlier years. By 1929, the colony at the Artawiyah wells had grown to a walled city of 10,000. Ghatghat was also a large colony, and the 50 settlements in the country totaled some 50,000 persons. In 1940, a press report stated that there were 200 settlements.

This type of program is limited by the general lack of water. Ground water is usually present, but may be quite deep. Wells are dug by primitive methods, and in most places the water is drawn to the surface by camels walking down an incline. The skins of water tilt over a board at the top of the well into a trough, from which the water is diverted into irrigation channels. The expense of digging new wells and installing pumps to increase production must be considered in relation to the capital available, the fertility of projected new areas, and the demand for the products.

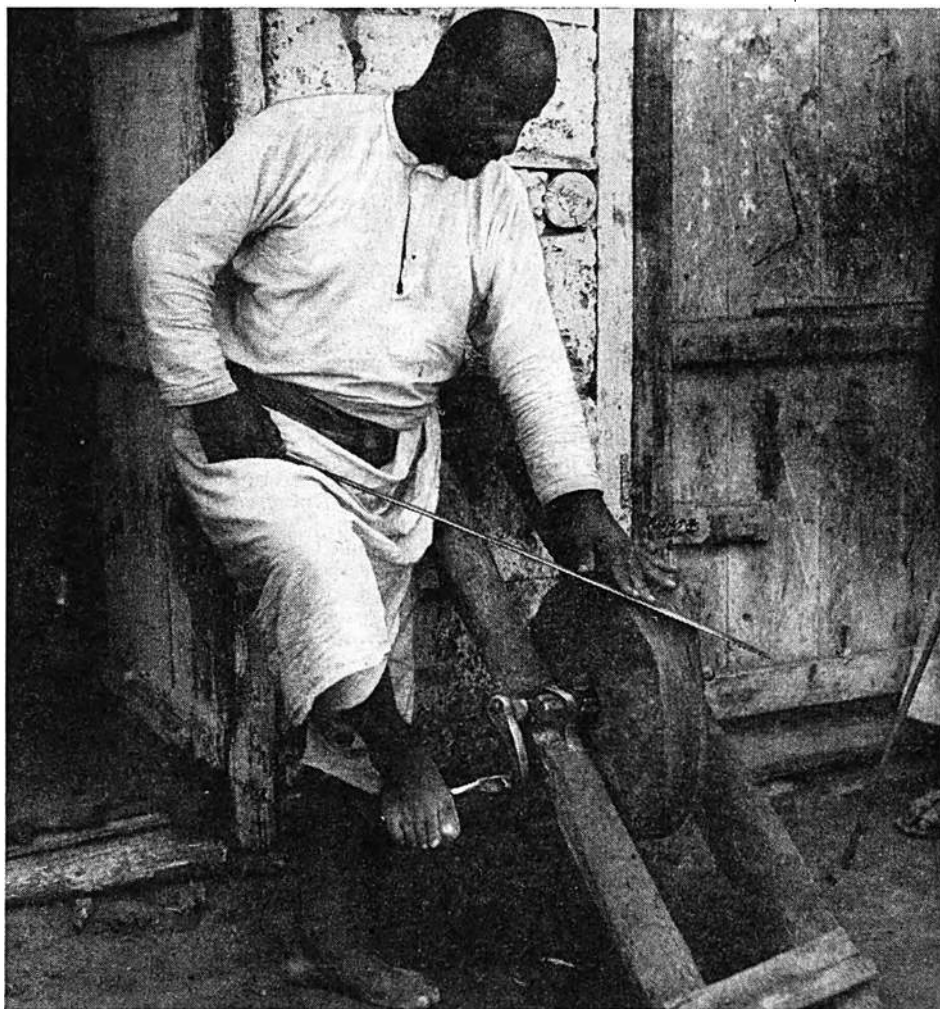


Photo by Ewing Galloway

This Arab in Jeddah, Red Sea port for Mecca, grinds a long sword by foot power.

Capital is scarce in Arabia. At the same time, from 70 to 80 percent of essential food needs have been imported in the past and paid for by the income from the pilgrims. At the present time this income has dwindled alarmingly, and both lack of income and the shipping shortage have made it impossible to maintain the bulk of imports.

The United States agricultural mission recommended test drills for wells in Asir along the coast below Jeddah and in many parts of Hasa where the soil is fertile enough to warrant irrigation. Covering of standing water and improvement of wells to control malaria in the Jabrin area would vastly increase its productivity. Further irrigation by drainage from present projects and the drainage of swamps at El Katif would add thousands of acres to the present cultivated area. The commission recommended the use of better-quality seeds and shoots and the cultivation of more vegetables, especially in the vicinity of large population centers.

More Roads Needed

The need for roads to facilitate the interchange of crops is recognized as basic for agricultural development. Since the

advent of motor cars around 1926, road development has been progressing slowly, principally along the pilgrim routes, but only a part of the main Jeddah-to-Mecca road is metalled. This road continues as a desert trail to Ras Tanura on the Persian Gulf, passing through Riyadh, the capital of Nejd. Vehicles with heavy tires can normally complete the trip in about 5 days. Another trail, infrequently used, leads from Ras Tanura to Basra at the head of the Persian Gulf. A road from Nejef on the Euphrates in Iraq to Medina is maintained by the revenues of properties in Iraq devoted to the welfare of the holy cities of Mecca and Medina. The track from Mecca to Medina is also open to motor transport.

Transport Situation

That roads should follow the pilgrim routes is only to be expected in Saudi Arabia, where the chief source of income has been the pilgrimage. The increasing interest in agricultural expansion and the penetration of western influence through the operation of oil wells and the mining concessions are due in large part to the decline of the pilgrimage. Whereas 100,000 pilgrims entered Arabia annually during the



Arabs with falcons.

twenties (as many as 130,000 in one year), a sharp decline occurred in the thirties. The number decreased to 23,000 in 1933 and had climbed back to only 34,000 in 1935.

The majority of pilgrims make the trip by bus from Jeddah, and the Government receives a percentage of the fare as well as various taxes. One of King Ibn Saud's major programs was the improvement of the conditions of the Hegira. Whereas formerly the pilgrim's route was fraught with peril from brigands and pestilence and with discomfort from lack of accommodations, under the present rule raiding along the pilgrim routes has become the exception rather than the rule, quarantine stations have been established, and pilgrims travel in comparative comfort by bus or limousine. Motor vehicles used for this transport are rigidly inspected and must carry ample supplies of spare parts.

Prior to 1935 the law required that pilgrims be carried only by local syndicates owning and operating a minimum of 30 vehicles each. Usually owners combined to form such syndicates. In 1935 a decree merged all the motor caravan companies into the Arab Auto Club, which operated 644 machines in 1938. In May 1937 the Nejd Auto Co., with 90 cars, was formed to carry the traffic from the east and to the Hejaz. Vehicles devoted to pilgrim transport constitute about 70 percent of the total, the remainder being owned mostly by the Government and its officials.

Since the outbreak of war in 1939, the pilgrimage and the income from it have been drastically curtailed. The chief source of income for the Government, and a major source for the people, is now the oil industry.

Gold-Mining Activity

Another source of income, though considerably smaller, is the gold-mining company above Jeddah. The first tentative concession was granted in 1932 and made definite in 1934. The present company, representing British, United States, and Saudi Arabian capital, was formed in 1937. Income to the Government from royalties and taxes has amounted to about \$100,000 per year, and the total of wages, customs, and royalties to about \$350,000 per year. From 300 to 450 Arabs are employed directly, another 500 by contractors working for the syndicate—

and some 5,000 persons are directly or indirectly dependent on this enterprise.

Production began on the tailings from an ancient working, but new ore is now being worked. The ore is difficult to treat, and the scarcity of water increases the difficulty. A flotation and cyanidation plant with a capacity of 300 tons per day is operating, but is undoubtedly meeting with considerable difficulty in securing supplies and replacement parts under wartime conditions.

Arabs Are Adaptable

Both of these industries have found the Arabs good workers, when they become settled. They master new skills and techniques readily. Ordinary wage conditions do not prevail in the country, except in these industries.

The pearl divers of the Persian Gulf coast work from May till October and receive small payments from the masters of the vessels throughout the year, or live, like tenant farmers, on credit, which absorbs their income. The pearl industry has suffered a severe setback during recent years, and it is probable that the oil industry would have absorbed even more of these workers than it has were it not for the poor physical condition of most of the divers—a result both of the conditions under which they work and of their small income.

Yemen, the Walled Garden

The small independent Imamate of Yemen, in the southwest corner, the most fertile country of Arabia, is also the most medieval and jealously guarded. Its barren coasts and rocky headlands, its rugged mountain heights, hide the fertile valleys and plateaus which gave it the name of Arabia Felix. Along the sterile sandy coast and where the central plateau merges into the Rub'el Khali, the population is sparse and pastoral, but throughout the highlands the fortress-like villages on the cliffs and escarpments are often within calling distance of each other. Carefully terraced gardens cover the steep hillsides at elevations of 4,000 to 8,000 feet. On these stone-buttressed plots, replenished with earth carried in straw baskets and watered out of kerosene tins filled from stone cisterns, the famous Mocha coffee is grown. The natives prefer a brew of husks and spices, and the berries, commanding a lower price than the husks in the local market, are exported.

Yemen also produces wheat, barley, and garden produce in the highlands, and millet, maize, and sesame in the fertile spots of the lowlands and the maritime range. Although primarily an agricultural region, its chief export, formerly coffee, is now hides and skins.

Very few foreigners are admitted to the country. A few commercial representatives are settled in Hodeidah, the chief port, and a few technical advisers are stationed in San'a, the mountain capital.

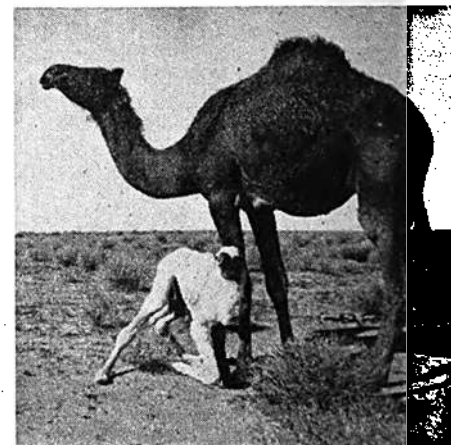
Yemen is said to have had many thriving industries in earlier times, and remnants of dyeing, tanning, metal-working, and boat-building industries remain.

Aden, Gateway to Arabia

Below Yemen, in the southwest corner, lies the comparatively cosmopolitan and metropolitan British colony of Aden. From earliest times, it has been known as the only good harbor between Egypt and India. The discovery of the Cape route in the sixteenth century caused a sharp decline in its importance, and by 1839, when it was taken over and fortified by the British, it had dwindled to a fishing village of about 500 inhabitants. But, as steam vessels developed, it became more and more important, both as a bunkering station and as a port of transshipment for Arabian and North African countries, the ports of which would not admit large vessels. In 1931 its population was almost 50,000, excluding the military. While the great majority were Arabian, there were prosperous colonies of Indians, Jews, Parsees, and a fair number of Europeans.

The colony of Aden covers only 76 square miles—two peninsulas and the land around the harbor, and the small island of Perim. There are a few local industries. Three firms are engaged in reclaiming salt from sea water. The water is evaporated in trenches, the salt raked over and packed and exported principally to India. As the greatest cost is transportation, the condition of the industry depends chiefly on shipping costs. In the present situation, there can be no doubt that it has been drastically curtailed. Total exports of salt in 1937 were about 230,000 tons. Native sailing craft, dhows, with an average capacity of about 200 tons, are constructed, and one firm manufactures laundry soap. Cigarettes are manufactured for local consumption in Aden Colony and Protectorate, the Yemen, and Somaliland. Total production in 1941 was 25,000,000 cigarettes and 120,000 pounds of cut tobacco. However, Aden's importance depends on its position as a fueling station and entrepôt.

About 95 percent of the trade of the Colony is conducted by sea. Trails into the interior are primitive, and travel is slow, so that transshipment by coastal vessels is predominant. In 1939, the latest year for which statistics are avail-



A new-born camel, Arabia (they are all white at birth).



Drawing water by donkey power, interior of Arabia.

able, imports by sea were valued at about \$20,000,000 and by land at \$677,000; bullion and coin by sea and land, \$1,500,000—making a total of over \$22,500,000. Exports by sea amounted to \$11,500,000, by land a little over \$700,000; bullion and coin \$850,000; making a total of about \$13,000,000. Fuel supplied to vessels is not included among exports.

About half of Aden's trade is with Asiatic countries. Fuel imports, predominantly for bunkering purposes, amounted to \$70,575 tons of coal and 166,871 gallons of fuel oil in 1939. At present Aden itself is largely a military station.

Aden Protectorate

Along the southern coast of Arabia, the Aden Protectorate stretches some 800 miles from Yemen to the District of Dhofar under the Sultan of Oman. To the north it ends indeterminately in the Rub'el Khali. The total area is about 112,000 square miles, and it is usually considered as consisting of the Western Protectorate, composed of the lands of some 19 sultanates over which the Sultan of Lahej is premier, and the Eastern Protectorate, whose principal chiefs are the Sultans of Qu'aiti and Kathiri, in the Hadhramaut section. The outstanding characteristic of Lahej district is its wealth, derived from a settled population, from the revenues of the Sultan from leased land, and from trade passing through from Yemen to Aden. The Wadi Hadhramaut is the key feature of the district which bears this name. Tributary wadis (river beds) enter it from the high plateaus to the north and south, which drain by other systems into the desert in the north and the sea in the south.

The Hadhramaut is agricultural, though only a small proportion of its area is suitable for cultivation. Tobacco is the most important crop and is practically all grown on government land under government direction. It is crudely prepared for smoking in water

pipes or made into native cigarettes. About two-thirds of the crop is exported, principally to Yemen. The 1941 crop was estimated at 1,000,000 pounds, valued at about \$90,000. Honey is the other major product. The odor and taste are different from those of the honey consumed in the west, but the product is very popular in Arabia and the East Indies. Other products are millet, lucerne, wheat, vegetables, and fruit. Methods of cultivation and irrigation are primitive, but show considerable ingenuity.

The wealth of the Bedouins is in their livestock. Cattle, though much less important than camels, sheep, and goats, are not uncommon in this section. Both camels and cattle are used for plowing.

Industries Primitive

Industries are primitive, and with the exception of dried fish, products are not exported. Dried fish is a staple article of diet, and the most generally used fertilizer and fodder. Camels turn the wooden machinery used to express sesame oil, which is used as butter. The cakes are fed as fodder. Lime kilns supply plaster for building. Dyeing, tanning, weaving and mat making, and pottery are local handicrafts. Oil shale is known to exist in the Hadhramaut, but its extent and value are not known.

Much of the prosperity of the section, especially in the Kathiri State, derives from invisible imports. The Hadhrami are the Horatio Alger heroes of Arabia. Many of them make fortunes in the East Indies and Malaya, and then return, often with Javanese and Malayan wives, to their native hills. Contact with the outside world may account for the Hadhrami's ardent desire for modern ways—especially among the Kathiri and the townspeople. The Qu'aiti, however, control the coast, and are more conservative, as is the ruling class, the Seyyids, in whom religious and secular power is combined.

Sultanate of Oman

East of the Aden Protectorate, in the projecting southeast corner of the peninsula between the Persian Gulf, the Indian Ocean, and the Rub'el Khali, lies the Sultanate of Oman. The outstanding physical characteristic is the range of mountains parallel to the east coast. The two largest valleys are the Wadi Sema'il and the Wadi Halfain, which

(Continued on p. 33)

Arab Ships Called "Dhows"

The picturesque Arab dhow's forward-raking mainmast carrying a big single stretch of sail, a tiny mizzenmast incongruously raking the other way, the high Elizabethan look of the poop and the graceful droop of the waist, are features that clearly belong to the distant past. He who has a sentiment for our old sailing ships meets with enchantment as he voyages across the Indian Ocean at any time except when the southwest monsoon drives these quaint fore-and-afters off the open sea into their summer anchorages.

Here is a craft that has come unchanging across the ages. Almost every Arab seaport has its own traditional build and rig, Kuwait and Sur perhaps the most famous. Dhows up to 200 tons burden carry dates and frankincense and shark's meat to India and Africa, and bring back rice (the staple food of the well-to-do), sugar, piece goods, and other simple requirements of a poor oriental people.

The hardy Arab mariners, possessed of imperfect instruments and a nodding acquaintance with the rudiments of navigation, yet have a knowledge of the elements which even our more scientific sailors may envy. In the annual voyage to East Africa they run down before the northeast monsoon without too nice a sense of longitude and, on reaching the desired latitude, turn west to make a landfall. It is a common experience of British ships in these parts to be hailed at sea by one of these craft, that has made a bad voyage, with a request for water and its bearings. But the camaraderie of the sea is sometimes thought to be a trifle one-sided when the Arab dhow, economizing in head or other lights up to the fifty-ninth minute, suddenly flashes her presence dead ahead out of a black night.

Dhows hauled up along the Arab beaches have a monstrous, whale-like appearance as they lean over at alarming angles on their bulging bilges. In process of building they are a joy to behold.

(From "The Arabs," by Bertram Thomas. Publishers: Doubleday, Doran & Co., Garden City, N. Y.)

By MARGARET E. WAMBSGANSS, *Industrial Projects Unit, Bureau of Foreign and Domestic Commerce*

MORE THAN 50 PERCENT of all flax consumed in the United States in 1942 came from Latin America, whereas from 1937 to 1939 only one-quarter of 1 percent of our flax requirements were imported from our neighbors to the south. The major sources of supply in those years were Belgium (36.5 percent), the United Kingdom (21.6 percent), and the Soviet Union (19.9 percent).

After 1939, imports from Europe diminished in almost direct proportion to the spread of World War II. Domestic cultivation increased but did not keep pace with requirements—which had doubled by 1942—and new sources of supply were sought in Latin America.

From Ancient Days

Flax fiber is obtained from the inner bark of the fiber flax plant (*Linum usitatissimum*) and is the oldest vegetable fiber known to man. Its origin antedates recorded history. Mummies found in prehistoric graves in Asia and Africa were swathed in fine linen fabrics; linen garments were the prescribed ceremonial vestments of civil and religious leaders from time immemorial.

This plant was grown in abundance in early Egypt and Babylonia, and later traveled westward to Greece and Rome. It was introduced by the Romans into Spain, Gaul, Germany, and Britain, and was carried by the early settlers to North America where women vied with one another in their eagerness to spin and weave ever-finer linens.

With the Yankee invention of the cotton gin, which so drastically lowered the cost of production, cotton came into the ascendancy. The cultivation of flax for its fiber declined in Canada and the United States, although in a few sec-

Flax Flares to New Prominence

What Promise Does Western-Hemisphere Production Hold?

tions this industry has been kept alive, and, with today's increased demands, it is again expanding.

Keen Interest Today

Wartime uses for flax have promoted renewed interest in this crop throughout the entire world. Reports received in the Department of Commerce indicate vast increases in output in England, Elre, Northern Ireland, Australia, and Canada. Flax was not introduced into New Zealand until 1940, but that country already is making a sizable contribution. Russia's crop is extremely important, and Germany's need is so critical that farmers in occupied countries are urged to raise as much flax as possible.

Most countries in the Western Hemisphere have climate and soil suitable for growing flax fiber. Some authorities even claim that flax will thrive in any climate. Until recently, however, interest of Latin American growers was centered on seed and oil, because of the higher monetary returns from those products.

The Record in Peru

Many scattered attempts were made to grow flax in Peru, but it was not until 1933 that the first large-scale experiments were begun. These were continued for a number of years, and re-

sults proved so encouraging that an official Flax-Growing Promotion Campaign achieved planting of about 290 hectares in the Pativilca and Supe Valleys in 1939. From these early attempts 74 tons of fiber and about the same quantity of tow and waste were collected.

A year later experimental plantings were also made in the Canete Valley, bringing the total area under cultivation to 1,064 hectares with a production of 229 tons of fiber. By 1941 this industry had developed to such an extent that 15,016 hectares were planted, with a yield of 2,709 tons of fiber. The 1942-43 area devoted to flax was the highest on record, 15,843 hectares, but the yield was very low, and fiber production is estimated at only 2,200 tons.

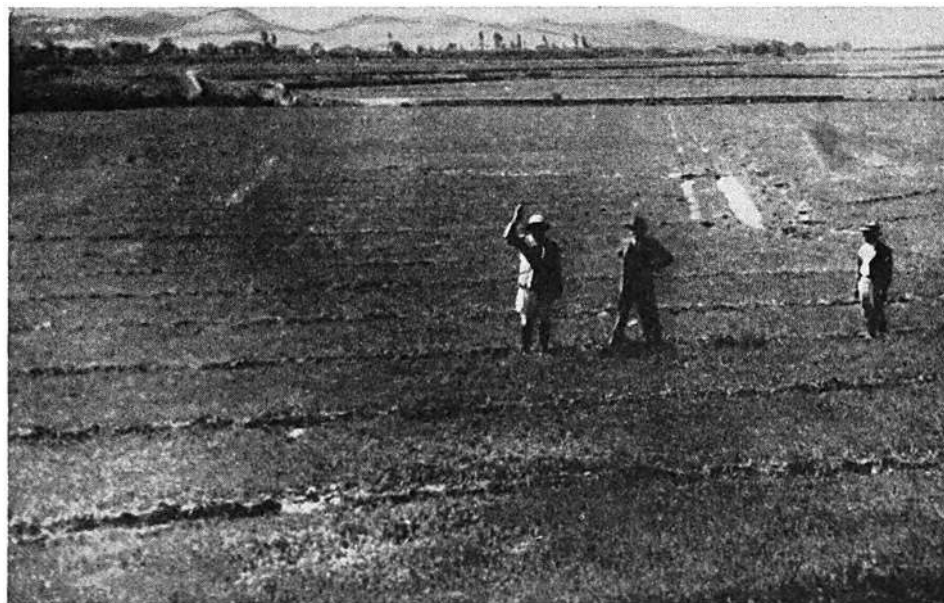
Cultivation of flax has increased in the sierra, amounting this year to about 1,800 hectares, concentrated in the Huancayo, Jauja, and Tarma districts. A new scutching mill has been erected at Huancayo, and the delivery date for sierra-grown flax has been extended to December 31. It is believed that this crop will bring high financial returns to the Andean districts.

Peru's Vigorous Efforts

Concerned over a consistent drop in yield, caused by unfavorable weather, insect pests, and rust, the Flax Promotion Commission and Government authorities have instituted various regulations for planting. Sowing must be done between May 15 and July 31, thus limiting the growing time and the period during which the plants are exposed to pests and disease. Then, too, harvesting will fall during a season of greater warmth and sunshine. Limits have also been placed on the free purchase of seeds from abroad and on the unrestricted transportation from one district to another. Thus, only seeds of the type best suited to the climatic and soil conditions of each particular region will be planted, and at the proper time. Authorities are confident that, given favorable weather, these precautions will result in higher yields and more remunerative returns for the growers.

Cultivation of fiber flax in Peru dropped to 11,162 hectares for the 1943-44 season. However, progress of the crop has been reported as entirely satisfactory, and it is anticipated that the fall in yield per hectare has been checked. Rust attacks have not been nearly so severe as in preceding years.

Practically all Peruvian flax is exported. Shipments in 1942 comprised



Courtesy Department of Agriculture
Flax growing, South America.

2,384.2 metric tons of fiber and 2,496.9 tons of tow. (Tow is the broken and matted fiber which accumulates in the various processes of preparing flax fiber for manufacturing, or which in some cases is recovered from seed flax straw.) During the first 8 months of 1943, 2,030.8 tons of fiber and 153.9 tons of tow were exported.

It has been reported that flax has become a \$5,000,000 crop in Peru, at current prices, or nearly one-fourth of the value of that country's cotton production.

Through the Commodity Credit Corporation, the United States has agreed to purchase Peruvian flax for several years, beginning with 1943.

Chile Achieves Increases

Flax has been grown in Chile since 1903, the Provinces of Valdivia and Llanquihue cultivating it especially for its fiber. Only 800 hectares were devoted to this plant in the 1938-39 crop year. The following year the area had expanded to 1,000 hectares and to 1,500 hectares in 1940-41.

Shipments of long, clean fiber are not shown separately in Chilean export figures, but are included with those on tow, which totaled 226,109 kilograms in 1939. Official reports for 1940 contain no reference to flax shipments, but 1941 published statistics indicate that 225,385 kilograms of fiber and tow were exported. According to figures released in the United States, 23 tons of fiber, valued at \$11,791, and 12 tons of tow, worth \$3,319, were imported from Chile in 1939. The next year the United States received 104 tons of flax fiber, with a value of \$67,886, and 72 tons of tow valued at \$16,738.

Recently Chile's first flax mill was established in La Union, financed by private and Government interests. Linen yarn suitable for weaving fine-textured linen fabrics is being produced.

Flax is considered one of the most stable fiber industries in Chile. It is still small compared with hemp, but has been increasing steadily, although actual figures for 1942 and 1943 are not available.

Argentine Situation

Other countries of Latin America, particularly Argentina, Brazil, and Uruguay, have for many years cultivated flax, but primarily for its seed. In fact, Argentina exported 1,183,203 metric tons of flaxseed in 1939 and well deserves the distinction of being the greatest flaxseed-producing country on the globe. However, the world's sudden seemingly insatiable craving for flax fiber has led Argentina and other Latin American countries to experiment with the cultivation of this plant for its fiber.

Climate and soil in the Provinces of Santa Fe, Entre Rios, and Buenos Aires are believed to be best suited to flax-fiber cultivation in Argentina. For a number of years, splendid yields were obtained, but then a type of "wilt" appeared, and growers became somewhat discouraged. It appears, however, that efforts to grow a variety resistant to



Flax plants and straw, Peru.

Courtesy Pan American Union

this fungus would be rewarded and that a fiber industry could be developed.

Argentina shipped to the United States 26 tons of fiber in 1940, valued at \$18,981, as well as small quantities of tow valued at \$68. In 1941, 282 tons of flax were exported from Argentina to all destinations. These had a value of 625,000 pesos. The following year shipments fell to 262 tons, but the value had climbed to 893,000 pesos. Tow shipments amounted to 597 tons with a value of 561,000 pesos in 1941, and dropped to 423 tons in 1942, valued at 451,000 pesos.

Experiments Undertaken

Experiments have been conducted for a number of years to develop a method of profitably utilizing the fiber remaining from the seed crop. A decade or so ago a spinning factory with a daily capacity of some 20,000 kilograms of yarn was erected and equipped with modern machinery. A large quantity of yarn and twine was produced, but after several months financial difficulties confronted the pioneering operators, and the plant ceased to function. At this writing it is difficult to determine whether this plant has again been placed in operation, but Argentina reported a production of 108 tons of linen yarn in 1939.

Argentina's linen manufactures of all kinds amounted to 255,953 kilograms, worth 1,700,915 pesos, in 1935. Then followed a gradual decline which reached a low of 125,597 kilograms valued at 879,311 pesos in 1939. A slight improvement was noted the following year, when production amounted to 157,102 kilograms, worth 1,188,775 pesos. Approximately 72 tons of domestically spun flax yarn went into that year's production.

What Brazil Is Doing

Brazil, too, has long grown flax for seed, in the States of Parana, Santa Catarina, and Rio Grande do Sul. More recently it has been raised in appreciable quantities for its fiber in the southern States of Brazil. As early as 1938, Bra-

zilian export figures included 2,497 kilograms of flax fiber. No fiber shipments were listed in official reports for 1939 and 1940, but flax-tow exports were given as 7,184 kilograms in 1940. By 1941 these had advanced to 70,216 kilograms, and flax-fiber shipments comprised 23,645 kilograms—approximately 10 times as high as in 1938.

Linen thread for weaving is produced in Brazil on experimental stations and small plantations. In 1939 Parana produced 17 tons of thread. The entire flax crop of that State is usually consumed by its spinning and weaving industries, which were established by colonists from Europe. The 1943 fiber crop is expected to be about 1,000 tons.

In 1913 some 1,800 tons of linen manufactures were imported into Brazil, but by 1939 the total had dropped to 850 tons. Domestic production of these items advanced proportionately, from 302,000 meters in 1913 to 21,030,000 meters in 1939. The steady growth of this industry is demonstrated by the fact that, in the first 6 months of 1942, 1,005 kilograms were exported.

The largest volume of industrial production is in the State of Sao Paulo, which would indicate that, until World War II interfered with free shipping, this industry still depended to a large degree on imported raw materials. One linen mill in the State operated 33 looms in 1939, producing various linen textiles and yarns.

Flax in Mexico

Among its many fibers Mexico grows some flax, particularly in the wild state, but the fiber has not been commercially important. Almost the entire production is consumed by several domestic mills for manufacture of thread and linen cloth, and by the important handicraft industry in the knitting of lace articles.

Flax cultivation in Mexico, for all purposes, but especially for seed, covered 11,694 hectares in 1940. Fiber exports amounted to only 439 kilograms in 1940 and 13 kilograms in 1941.

(Continued on p. 32)

Sweden's Aerial Cableways—

They Help Solve Industrial-Transport Problems Today

SWEDEN'S AREA of 173,105 square miles has many physical features which present surface transportation problems. The deep indentation of its shoreline has forced railway lines to follow mostly inland courses. To carry its ores on a more direct route from the mines, Sweden is now concentrating on aerial cableways and is completing the longest cableway in the world.

This cableway, the Kristineberg-Boliden line, is automatic and designed to carry 250,000 metric tons of ore annually. The line includes 10 large and 25 smaller cableway stations and 514 concrete suspension towers. Each cable car has a capacity of about 1,200 kilograms, and the number of cable cars will total 915, of which 85 are intended for station use and for reserve. The transport capabilities of the line are placed at from 50 to 100 tons of ore per hour—which will require eight 135-horsepower motors. The

By GRANT OLSON, *Attaché, American Legation, Stockholm*

latest innovation is the all-automatic system which has increased operating efficiency and lowered labor requirements. On the Boliden cableway, it is estimated that the automatic system dispenses with the services of 26 men.

Route and Pick-up Points

The cableway extends some 60 miles from the railway yard at Boliden to Renstrom, Kinsfors, Asen, Bjurfors, Mensktrask, Roukejour, from which point the line runs southwest to Stromfors, continuing to Ytterberg and Kristineberg.

Ore is also carried from other deposits along the line. Nickel ores from the mine at Lainjour (a distance of 25 miles) and copper from the State mine at Adok

(a haul of 37 miles) are carried by trucks to a loading station at Stromfors.

Over 30 trucks, many with trailers, were engaged in 1941 in hauling ore from the Kristineberg ore fields to Boliden, at which point the ore—at the rate of approximately 120,000 metric tons each year—was reloaded on railway cars for transportation to the ore-orendition plant at Ronnskar, near Skelleftea on the Baltic Coast. Most of the trucks were equipped with 16 tires apiece, and, as the war progressed, providing tires became a difficult problem.

At first the State Industrial Commission proposed a rail line, but the length of time and the problem of providing material and equipment, especially locomotives, led to the abandonment of such a plan. The aerial cableway was decided upon as the most expedient solution, and the line was begun in July 1942. By December 1942, the suspension towers had been completed and the cables and wires strung. Some of the sections of the line are already in use.

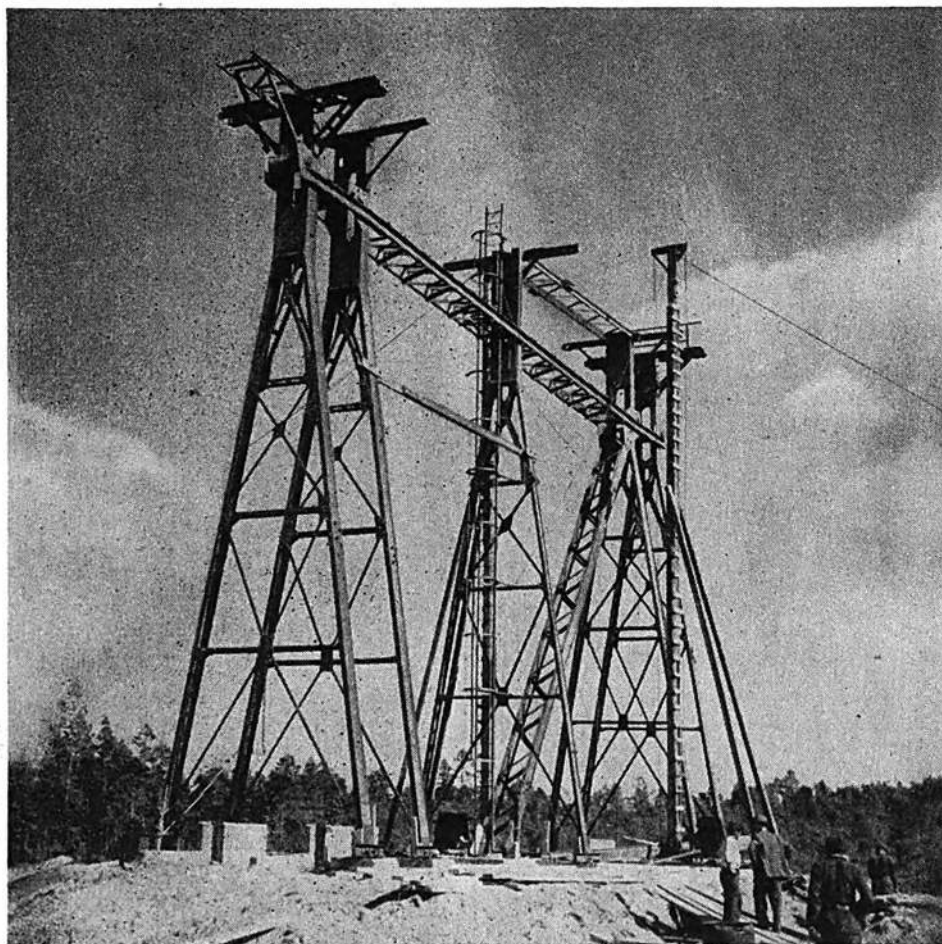
Cableways for a Hundred Years

Cableways to transport industrial raw materials have been utilized in Sweden since 1845. The first line was built by Carl Husberg at the Falu copper mine in north-central Sweden.

This first cableway in the world was not an impressive structure. It was 328 feet in length and employed double cables with a single dray line. The trolleys operated on a pendulum system but embodied principles which are still applied in the modern revolving system. The trolley cars were equipped with automatic dumping devices, an advanced idea at that time.

No marked improvements were made in the production of cables until the eighties of the last century. Two Englishmen, Latch and Batchelor, in 1884 invented the so-called enclosed cable with a tensile strength of 60 kilograms per square millimeter. Other improvements followed, and the strength of cables was increased gradually until that of the present enclosed type has reached 120 kilograms a square millimeter, that of spiral cables 135 kilograms a square millimeter, and that of wire rope 180 kilograms. Greater tensile strength permits not only the bearing of heavier loads but also longer suspensions between the transmission towers, so that, whereas the suspension distance at first was only 246 feet, it may be now as much as 3,937 feet and 4,593 feet. Swedish engineers are reported to be using the enclosed cable exclusively in the construction of aerial cableways.

(Continued on p. 21)



Courtesy Swedish International Press Bureau, Stockholm
Traction station in course of erection on Sweden's new aerial cableway between Kristineberg and Boliden.

By E. E. SCHNELLBACHER, *Division of Commercial and Economic Information, Bureau of Foreign and Domestic Commerce*¹

Foreign Trade— American Way

Adhering to Basic Concepts of Free Enterprise,
Proving Its Worth by Acceptance of Challenging
Responsibilities, Our Foreign-Trade Fraternity
Looks to an Increasingly Secure, Dynamic Future

A YEAR AND A HALF AGO, the present writer had occasion to characterize the foreign-trade fraternity as a civilian quartermaster department, with obligations international in their scope.

At that time, the strong personal conviction was expressed that the many veterans in the field would fulfill these obligations. They appeared thoroughly well equipped, both financially and spiritually, to carry on despite all obstacles.

Today it is apparent that this faith was well-founded; that what may have seemed like over-sanguine optimism, with the war in its uncertain opening phase, has become a reality. Indeed, it is a matter of record that this country's long-experienced foreign traders have not only "carried on" but have made a really glorious contribution to the total war effort.

Appraising Ultimate Effects

And now we seem to be in the "middle" phase of the war. Any uncertainty as to the military outcome has long since passed. And with victory assured we have reached that stage where we can give thoughtful consideration to that which we are fighting for—the peace to come.

We have already begun to take the measurements of emergency operations, both military and economic. We are endeavoring to estimate as best we can their ultimate effects on our way of living, on our way of doing business.

In our quest for the answers, the word "change" looms large. We hear on all sides that changes will occur; that we will have new products—new desires—new ways of living.

Many of these suggested changes are becoming apparent. But the question still remains as to whether they are superficial or fundamental. Thus, all these impending changes present a real problem to the businessman. For he must weigh them objectively and place them in their proper perspective.

In many cases, the producers are the only ones who know what has gone on within their operations, which have been conducted under the veil of military secrecy. Only they know what techniques made possible some of the tremendous technological advances that must have occurred to bring us up to our present heights.

But, while the over-all picture of our future economy is necessarily hazy, there are certain factors that are clear—factors that we know and can well afford to review and appraise.

Challenging Dilemma Met

As the second year of the war progressed, the foreign trader found himself between the horns of a dilemma.

On the one side has been his ardent desire to take care of his foreign customers—and he has had to do this out of the necessarily small allocation from a diminishing civilian supply.

On the other side have been the many inevitable restrictions which hamper the operations of the trader.

Yet, in the face of such abnormal difficulties, the foreign-trade fraternity has been responsible for steering a remarkably intelligent wartime course—a course that will assure a sound basis for the distribution of merchandise during the war and in the period that follows victory.

Broader, More Mature, Vision

Under exigent and frequently perplexing conditions, it is certainly not surprising that one should hear expressions of irritation and dissatisfaction. But careful observers feel that, during the past 2 years, the note of "complaint" has merged into studied inspection and weighing of the whole.

In other words, one sees the foreign-trade fraternity as tempered and refined and matured by the very hardships it has undergone. And persons who are closely in contact with developing situations rather imagine that the members of this fraternity are largely unconscious of the process that has increased their stature.

The indubitable fact remains that American foreign traders have broadened their vision. They have reached a new realization of their responsibilities, of their necessity to our national economy and to the new world economy. It is imperative today to "think through" these responsibilities and all their implications.

How Much Post-War Control?

Perhaps the one question most frequently asked in this respect is: "Will post-war American business be under Government control, or will it be relatively free from the restrictions imposed

by Government during the emergency?" As regards the foreign-trade segment of business, certainly no cut-and-dried or simple answer can be made to this question.

But the attitude of the Bureau of Foreign and Domestic Commerce was aptly summed up recently by its Director, Dr. Amos E. Taylor, when he said: "The system of controls which in total war becomes universal is the antithesis of the system toward which our post-war efforts are naturally directed." Dr. Taylor also pointed out that it is very clear at the present time that in many parts of the world the economy of the 30's was really a war economy.

"Long View" Brings Clarity

Practically everybody will agree with that statement when the events of the pre-war decade are marshalled and reviewed. Then we find that the growth of totalitarianism in the world brought an amazing extension of restrictions. These took the deterring forms of quotas, financial controls, export subsidies, market allocations. As one nation raised barrier after barrier, others followed in rapid sequence. And the net result was—controls and more controls.

Now, let us go back much further in our history as a Nation. There we find that many of our laws which established controls in no uncertain terms were written by, or at the request of, merchants. For example, the laws of contracts, of agency, and of negotiable instruments are but the codification of self-imposed controls which businessmen determined and entered into as a common bond for the good of all. Realizing that fact, we take a broader view toward the dominant conditions of yesterday and today.

Freedom and Self-Policing

It is historically true that business is a great force for social good. The evil feudal system declined as the merchant, plying his trade in the development of private enterprise, contributed to the growth of modern democracy.

And what is democracy but the product of self-policing? It exists when men

(Continued on p. 31)

¹ EDITOR'S NOTE.—This article embodies, in a shortened and slightly modified form, the content of a recent speech by Mr. Schnellbacher.

News by COUNTRIES

Brazil

Exchange and Finance

National Salt Institute Authorized to Borrow From Bank of Brazil.—By decree law No. 5832 of September 20, 1943, the Ministry of Finance was authorized to renew for a period of 3 years the contract signed on August 2, 1940, by the Federal Government and the Bank of Brazil. This decree authorizes the bank to make loans to the National Salt Institute or to salt producers and cooperatives to the extent of 30,000,000 cruzeiros.

The previous contract, authorized by decree law No. 2398 of July 11, 1940, allowed the extension of credits by the Bank of Brazil to the amount of 15,000,000 cruzeiros. The new contract, as was the previous one, is guaranteed by a tax of 10 cruzeiros per ton on all salt exports, authorized by article 5 of decree law No. 2300 of June 10, 1940, which created the National Salt Institute.

The National Salt Institute was designed to regulate the production and consumption of salt by fixing the grades and their prices, to establish production quotas, to furnish financial and other aid to producers and to cooperatives, to regulate the marketing, and to study the export possibilities.

Transport and Communication

Government-Owned Railway Being Rehabilitated.—The Madeira-Mamore Railway in Brazil, some 227 miles in length, is being rehabilitated. The present demand for rubber in this area has necessitated repairs to the roadbed and the rolling stock. Of 14 old locomotives, 10 are now usable and 3 are being repaired, states a European transport journal.

In 1930 the Brazilian Government took over this railway which was built originally to bring down rubber from the upper Amazon forests to the Amazon River. The railroad operates from Porto Velho to Guajara-Mirim.

British West Indies

Economic Conditions

SITUATION IN THE BAHAMAS

Trade flourished in the Bahamas during the third quarter of 1943, and, although stocks of merchandise were lower than in normal times, buying power was greater than normal. The approximately 5,000 Bahamian farm laborers now in the United States have contributed much to this prosperity. Some of the effects of a greater abundance of

money is being offset by increasing living costs, however, which are estimated to be 70 percent above pre-war costs.

Shipping facilities appear to be adequate for all requirements, and shortages are primarily in lines in short supply in the supplying countries. Plans for the improvement of the water system and greater refrigeration facilities are under discussion.

A revolving fund to finance the bulk purchasing of foodstuffs has been created by the Government. The new tomato crop looks promising, and indications show an increase of this fruit over production of previous years. First shipments were expected at the beginning of November.

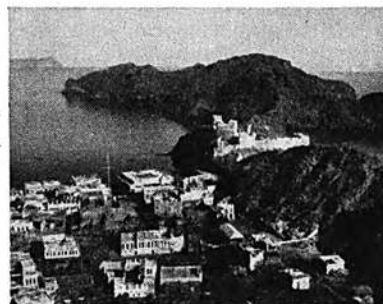
Canada

Economic Conditions

MERCHANDISE SHORTAGES RESTRICT SALES IN ONTARIO

The fall trade in Ontario declined in certain lines as compared with 1942—

The Cover Picture



Muscat, Arabian City.

The city portrayed in our cover picture this week is (though the cool-looking sea in the background might not suggest this) one of the world's hottest cities. It is Muscat, on the Gulf of Oman—one of the most picturesque places in the Middle East, because of its rocky surroundings and the old Portuguese fort that once guarded the town.

In Muscat the temperature in the shade seldom goes below 90° F., and often enough it rises as much as 20 degrees higher. The city is an important shipping center, including, among its exports, dates, Arabian horses, and wheat.

Relatively few white persons live in Muscat, about the only ones seen being foreign traders and sailors there with ships.

among them musical instruments, furs, and home furnishings. Much larger quantities of groceries, shoes, staple dry-goods, and men's and women's heavy clothing could be sold, if obtainable. Other rapidly moving lines are hardware, china, paints, books, jewelry, and raincoats. Country stores report gains wherever inventories make this possible. Retailers are still being rationed by their wholesale suppliers who are conserving stocks so far as possible. Processors of British manufactures are experiencing great difficulty in getting long-standing orders filled. Local textile mills are still unable to supply sufficient quantities of children's goods, which has resulted in a serious shortage in many lines, especially children's wear.

In some quarters, it is predicted that the winter months will be most difficult for Canadian wholesale and retail trade, but there is considerable hope that by spring an increase in some branches of civilian production will be possible as a result of the amassing of adequate stocks of war materials. Indebtedness is being paid off, collections are good, and the general feeling is optimistic. The small businessman is now holding on with the impression that it will not be long before real improvement in merchandise supplies begins to be felt.

Retail failures during 1942 are reported to have been fewer than in any year since 1913.

According to the Footwear Director of the Wartime Prices and Trade Board Retail Administration, more shoes are being manufactured in Canada at present in children's sizes than ever before. The shortage, nevertheless, becomes more aggravated month by month. The Director attributes this to larger amounts of money which parents have to spend on their children's footwear.

INDUSTRY WORKING AT CAPACITY

Ontario industrial operations are proceeding at near-capacity, although shortage of labor is interfering with production in some industries. Iron and steel mills, brass foundries, engineering and vehicle plants with high labor priorities are working virtually at capacity, as are aircraft plants and shipyards. Some recession is reported in the output of military equipment by automobile manufacturers. Paint and varnish firms and rubber manufacturers continue very busy. Furniture factories are occupied principally with war orders, as shortages of certain materials has caused curtailment of civilian-goods manufacture. Tanneries and shoe factories are maintaining full schedules, and textile and knitting mills are very busy.

Toronto will be the site of one of two large Government-financed plants which will produce penicillin. The president of the University of Toronto has an-

nounced that the Dominion Government is making \$2,500,000 available to the University for the manufacture of this drug. University authorities expect to employ 250 men and women in their laboratory and to be producing 500,000,000 units weekly by mid-April. The grant will cover the cost of creating this new industry and manufacturing the first 26,000,000 units of penicillin.

Cancellation of a contract for Bren gun magazines is reported to involve closing part of the ordnance division of a plant at London, Ontario, and a lay-off of 300 men.

A foundry and steel plant at Hamilton recently announced that a continuous tinning line for tin plate and other uses is under construction, and that plans are completed for more than doubling its cold-rolled-strip production. The company claims that this will assist both in finding jobs for their former employees now in the armed services and also in retaining hundreds of war workers, now on their staff, in peacetime production.

AGRICULTURE AND FOODSTUFFS

Frosts in southwest Ontario around September 20 did considerable damage to corn, tobacco, beans, and tomatoes. Early September experienced enough moisture for late crops and pastures, but drought set in later in the month and continued in October, resulting in serious brush and forest fires. All sections of Ontario have adequate supplies of roughages for winter feed, but feed grain is decidedly short. Milk production has decreased and feeder-cattle purchases are below last year. Movements of western grains to Ontario farms continue brisk, but large amounts will still be needed.

The 1943 Ontario potato area is estimated at 116,000 acres, the lowest figure for the past 60 years. It is officially estimated that Ontario will fall short of reaching its potato objective, which was a 10-percent increase over last year. Quality of the Ontario crop is, however, above normal.

Sugar beets were not affected by the September frosts but have suffered from scarcity of rainfall in August and September. The crop is estimated to yield 9 short tons per acre, or 83,592 tons of beets from 9,288 acres planted. Indications are for a better-than-average sugar content this year.

Commercial apple production in western Ontario is now estimated at 490,000 barrels, an increase of 37 percent over the 1942 yield and 21 percent over the September estimate. Ceiling prices on the apple crop have met with criticism by Ontario farmers who claim that these prices penalize the growers of superior fruit. These farmers maintain that while the prices are fair to growers of ordinary fruit, producers of superior qualities receive no premium for their additional work and expense.

The new Federal milk subsidy of 30 cents per 100 pounds became effective October 1, and it is estimated that it will net the farmers supplying Toronto about \$100,000 a month. The price of milk to consumers will, however, be unaffected, although the actual cost of milk laid

down in Toronto is reported to be \$3.05 per 100 pounds against \$2.10 2 years ago. According to producers, the subsidy came too late to affect the Canadian quota of cheese for Great Britain which will not be met this year.

Food shortages still continue in some lines, part of this demand being filled by an increased consumption of bakery products. The Ontario Bakers' Association states that the 1,300 baking establishments in Ontario are baking about 2,500,000 loaves a month more than last year, which has enabled the industry to hold prices at pre-war levels despite higher costs for certain ingredients. This industry is producing approximately 1,500,000 loaves a month for the armed forces in this Province.

Victory-garden owners got some relief from the high prices of fruits and vegetables last summer, which were double those of 1942. An official of the Provincial Department of Agriculture estimates that home-grown food in Ontario victory gardens this year was worth \$27,000,000, or approximately \$30 for every family in the province.

The Ontario Agriculture Minister has announced that all 19 members of a special agricultural committee to inquire into all phases of Ontario's farm problems have now been appointed and the commission is expected to begin its investigations soon. Following this inquiry, the commission will advise the Ontario Government on needed farming

legislation, especially along the lines of county agricultural committees, which have been indicated as the most direct method of solving regional agricultural problems and the one favored by the present Government.

HYDRO-ELECTRIC POWER DEVELOPMENTS

The \$5,000,000 Ogoki diversion project of the Hydro-electric Power Commission of Ontario, begun in December 1940, was officially opened early in September of this year. This project, with a control dam spanning a channel cut through the height of land between the James Bay and St. Lawrence watersheds, diverts a great body of water, which formerly flowed north, into the St. Lawrence watershed. According to estimates, the Ogoki diversion and the Long Lac diversion north of Lake Superior, with a combined flow averaging 5,000 cubic feet per second, will make possible the development of 360,000 horsepower at developed and undeveloped sites between Lake Nipigon and the mouth of the St. Lawrence. Over a period of time it is expected that this increased flow will raise the levels of the lower Great Lakes about 2¾ inches, which will benefit lake navigation.

One development which this diversion will aid was opened October 15 when Ontario's Premier started a 65,000-horsepower generator at the De Cew Falls plant of the Power Commission. The new generator uses 2,000 cubic feet of

Pertinent Comments on World Economy Today

(Being one of a series of excerpts from books, pamphlets, and speeches)

Factors That Lead Foreign Traders To Face the Future Confidently

What we should aim at, as a long-term policy, is an equitable share in international trade, shipping, aviation, direct investments, etc. In the new world order, "the good old days of the past" will not return. The American exporter is not looking for subsidies—he does rely on government aid and protection in dealing with other governments. The wider experience acquired by industrial management, and the new industries born of war-time necessity, ought to insure to the trade of the United States a fair share of the world's markets.

After the war, many opportunities will exist for the investment of private capital, particularly in Latin America, but, unless guarantees are forthcoming for the protection of investments against confiscatory and nationalistic laws, there is little likelihood that the private investor will be attracted to long-term opportunities.

The continuance of the free-enterprise system in the area of world trading will insure that flexibility of method so essential to the commercial, financial and shipping needs of a reorganized world. Some governments will continue to control the buying and selling by their nationals in overseas commerce, and our Government, in cooperation with business, must continue to deal with other governmental authorities until private enterprise again is free to take over its legitimate functions.

Our expanded merchant marine is capable of carrying overseas the entire pre-war volume of our exports and imports, and will insure the adequacy of our overseas shipping for many years, in addition to the huge tonnage needed as naval auxiliaries and as a surplus reserved for the future and for sale or charter to other countries.

The United States faces the future confident that our traders have the men, the material, the ships, the planes, the ability and financial resources to meet the greatest demands of the immediate post-war years of relief and rehabilitation. But to avoid cut-throat competition, trade barriers, depreciated currencies, quotas, and other crippling devices will require continuance of the most skillful statesmanship and of Allied cooperation in the development alike of short- and long-term policies.

(From "Our Foreign Trade in a Changing World," by Eugene P. Thomas, Chairman of the National Foreign Trade Council, in the October 15 number of Foreign Policy Reports.)

Australia Has Ambitious Post-War Air Plans

Consideration by the Australian Government of a post-war civil aviation program to cost approximately £5,000,000 initially has been announced by the Commonwealth Minister for Air.

This program provides for transport of all first-class mail by air, lowered freight and passenger rates, and the construction of 22 major airports, each within 300 miles of populated centers which would be serviced by feeder lines. Some of these airports have been built as part of the war program, states a foreign aeronautical publication.

New overseas routes to link with internal routes are also being planned, it is stated.

water per second, drawn through a pen stock 400 feet long and 16½ feet in diameter. Water supply comes from the Welland Canal into Lake Gibson and continues through a channel to Twelve-Mile Creek where it enters the pen stock and is discharged into Lake Ontario. Despite this new development, however, the chairman and chief engineer of the Commission estimates that the power situation in Ontario will be a little tighter this winter than last.

A vigorous effort in Toronto to bring about a straight 10-percent reduction in electricity rates, to use up part of the surplus which the Hydro Commission has accumulated, finally resulted in the Commission's decision to give a rebate this fall instead of a straight reduction. Commercial power users will receive a 50-percent rebate on their November bill and domestic consumers on their November-December bill. Domestic consumers pay only every 2 months.

FINANCE

Following 3 years of discussion, the Toronto City Council has voted, by a close majority, to request legislation permitting the payment in United States funds of certain debentures sold 40 years ago. The city paid in United States currency until 1940, when its legal department advised it that there was no lawful obligation to make payments other than in pounds sterling. By this vote, the council reverses the position taken in March, when it declined to put \$50,000 in the estimates for such payments. Sanction of the Ontario Legislature to pay in United States funds will be required. This question has been a matter of discussion for the past 3 years, as it was claimed that the city had a moral obligation to pay this issue in United States currency.

One valuable result of the war has been the considerable reduction in indebtedness, not only by private debtors, but by provinces and municipalities as well. In Ontario, municipal debt has decreased from approximately \$504,000,000 in 1932

to \$304,000,000 in 1942. Reasons given for this improvement include better current collection of taxes, decreased social costs, reduced tax arrears, the liquidation of properties in municipal hands and a stronger realty market, better administration, substantial interest savings and municipal subsidies from the Province.

Trading on the Toronto Stock Exchange increased in September from the August lull to the third-highest month in recent years, and was only about 20 percent below the record month of July; 12,828,029 shares changed hands during September 1943 compared with 2,453,001 shares in September 1942. Prices, which were firm in September, declined somewhat in October.

The Toronto Exchange is reported to be considering much stricter regulations on new listings. The question of excessively high commissions, which were instituted when business was negligible and which still exist, is also understood to be under discussion. (From a report from Vice Consul E. T. Kelsey, Toronto.)

Wartime Commodity Controls

Children's Underwear Production Increased.—Plans developed in Canada last summer to meet the increased demands for all lines of children's underwear are expected to result in a record production of more than 10,000,000 garments in 1943, according to an announcement made on November 12 by the Wartime Prices and Trade Board. Arrangements made with manufacturers called for stepping up production to the maximum and continuing it through the winter months. In normal times production is discontinued in the fall, most retailers receiving the bulk of their supplies before the beginning of winter. To facilitate increased production, arrangements were made for appropriate supplies of yarns and other raw materials. Production quotas were worked out with manufacturers to make full use of the looms and equipment that can turn out these goods in Canada, and the public was asked to cooperate by spreading its buying of children's underwear over the season.

According to the Wartime Prices and Trade Board production of children's underwear in Canada has been as follows:

	Number of garments
Average annual production 1935-39	7,884,000
1941 production	9,540,000
1942 production	8,993,700
Estimated 1943 production	10,032,000

Transport and Communication

Carloadings.—Carloadings in Canada during September totaled 303,410 compared with 302,048 in the preceding month and 289,877 in the corresponding month of 1942.

During the first 9 months of 1943, railways carried 73,900,000 tons of revenue freight against 67,300,000 in the comparable period of 1942.

The trend indicated in September is toward heavier loadings per freight car, the month's average being 29.6 tons, compared with 28.8 tons the preceding month.

Chile

Economic Conditions

General business conditions in Chile during September continued fairly steady, though retailers reported a stiffening buyer resistance to high prices. Manufacturing-activity levels appeared lower, continuing to show the decrease apparent in August. Shipping activities increased, however, and, with the arrival of foreign coal, trains which had been discontinued during the winter season were returned to duty. Except for hemp, farmers were expected to increase their sowings, particularly of legumes and grains. As Congress was due to close, a bill was transmitted providing for tax increases on a number of items which was expected to raise approximately 500,000,000 pesos more in revenues than the present schedules.

Among specific manufactures that declined or leveled off were textiles, tobacco products, and the shoe and leather industries. The factors in this situation were lack of replacement parts, a scarcity of certain raw materials, but principally the lessening of orders caused by higher prices.

September retail sales also were less than in previous months as a result of buyer resistance against rising prices and a scarcity of stock among importing distributors in such commodities as hardware, glassware, jewelers' supplies, and household furnishings.

The general mining index for August rose slightly over July. There were claims that the northern coal famine was more critical because ships in the central ports were unloaded of coal originally destined for the north. Gold production increased considerably in August above the July figures.

In Coquimbo there is a farm boom, since this zone furnishes foodstuffs to the mining industries which have wartime employment with attendant consumer demand. As a whole, agriculture and livestock in Chile are not, however, on a sufficiently high scale to provide fully for the country's needs. Thus it has been necessary to import beef and wheat from Argentina although the native winter wheat crop promises a good yield. The new planting season was well under way in September with the same acreages as last year except for hemp.

The Government has appropriated various sums for considerable new construction. A 10-story building costing 25,000,000 pesos is being erected to house the Ministry of Public Works and Transportation. The novel feature of this project is that the labor is hired directly by the Government without the medium of private contractors. At its meeting on September 1, the Board of the Fomento Corporation appropriated 15,000,000 pesos for the Popular Housing Fund to wind up the housing projects in Santiago, Valparaiso, Concepcion, Arica, and Curacautin. The housing shortage in Chile amounts to 300,000 dwelling units. To remedy this situation the Government intends to coordinate the action of the social-security institutions in a 3-year building plan.

In August the cost of living in Chile was slightly more than in July, but in September there were signs of a reduction in the price of certain commodities. Public resistance to higher prices and the dumping of merchandise by merchants with loaded inventories who fear an early peace was responsible.

A law was passed September 25 giving teachers general salary increases.

Labor in the copper, nitrate, and coal industries was comparatively quiet, but port labor was restless over the speed-up shift system.

Absenteeism was large in the coal mines and resulted in a loss to production of 17,557 metric tons of coal from January to the middle of August.

Transport and Communication

Radio Concession Granted.—The Sociedad Press Wireless Chilena Limitada has been granted a 30-year concession by the Chilean Government to establish, in the Department of Santiago, an international commercial radio communication service between Chile and Cuba.

The concession also granted a service restricted to governmental dispatches and news copy with the United States, Brazil, Mexico, Uruguay, Great Britain and Ireland, China, Switzerland, and the Soviet Union, via New York.

The first transmitter will be 1 kilowatt, but the company must install a second transmitter of 10 kilowatts within 1 year and a third transmitter of 50 kilowatts, for television service, within 3 years.

China

Transport and Communication

Operations of North China Railway.—In the 4 years it has been operating, the North China Railway Co. is reported by a Japanese broadcast to have increased its mileage from 3,100 to 3,725, to have trebled its passenger traffic since 1939, and to have increased goods transportation 50 percent.

Bus lines operated by the railway company are said to have increased from 2,485 miles to 10,750 miles.

Colombia

Exchange and Finance

Institute of Industrial Development.—At the end of its third year of operations the Institute of Industrial Development held investments in industry totaling 2,706,000 pesos and 3,012,000 pesos in funds awaiting such investment. In addition, 2,000,000 pesos of the Institute's 7,000,000 pesos of authorized capital have not been paid in. Investments in industry included 2,532,000 pesos in stocks of industrial concerns and 174,000 pesos in industrial bonds, while funds to be invested in industry included about 985,000 pesos in bonds of the Institute and 2,027,000 pesos in other bonds.

The institute was organized in accordance with legislative decree No. 1157 of June 8, 1940, for the purpose of establishing or aiding in the establishment of

enterprises to process native raw materials in cases where sufficient private capital for such purposes was not forthcoming. Enterprises which the Institute had initiated, or in the initiation of which it had participated, included those concerned with the following: Production of iron, steel, lead, zinc, mica, salt, chlorine, coal, and mineral water; forest products including lumber; the extraction of tanning fluid from mangrove bark, and fique fiber; the manufacture of fertilizers from animal bones; the recovery of potassium from mineral water; the construction of nitrogen plants; the mining of arsenic-bearing minerals; the production of rotenone; the manufacture of tires; the construction of small craft suitable for river transportation; woolen mills; the processing of dairy products; the manufacture of glass; and the production of sulfuric acid. Many of these enterprises are in actual operation which others are still in the experimental stage.

In addition to those listed the Institute has participated in several enterprises which have been abandoned. These include: The exploitation of copper deposits in the municipality of Natagaima, and of sulphur in the Cachala region; one of two undertakings for the extraction of tanning fluid from mangrove; the processing of oleaginous palm nuts; and production of fiber from pita. The report stated an analysis of the failure of enterprises it had initiated had convinced the Institute that further efforts to develop the forest resources are useless without first making heavy investments in (a) communications; (b) sanitation in unhealthy climates; (c) housing facilities; and (d) population redistribution.

Cuba

Wartime Commodity Controls

National Motor Fuel: Formula Changed and Price of Alcohol Used in its Manufacture Lowered.—A new formula for Cuba's national motor fuel ("carburante") requires the admixture of 75 percent alcohol and 25 percent gasoline instead of the previous 65 percent alcohol and 35 percent gasoline, according to Presidential decree No. 3148 of November 5, 1943. The purpose of the change as stated in the decree is to maintain "nonessential" gasoline consumption within the basic quota of 40 percent of 1941 consumption.

The price which distillers may charge for alcohol used in the preparation of the fuel was reduced from \$0.35 to \$0.3450 a gallon by decree No. 149 of October 30, 1943, of the Cuban Office of Regulation of Price and Supply.

Exchange and Finance

New Bank Established.—Establishment of a new bank, Banco Continental Americano, S. A., was recently announced. The bank is to carry on a general banking business and through the acquisition of control of the Banco Territorial de Cuba it can engage in long-term mortgage financing. The

Banco Territorial de Cuba was created by an act of Congress in 1910 and is the only bank in Cuba which is authorized to issue mortgage bonds.

The authorized capital of the Banco Continental is 5,000,000 pesos, all of which, according to the announcement, will be Cuban. The promoter and president of the new bank is Señor Jose Lopez Fernandez who for more than 20 years has been associated with United States banks operating in Cuba. The bank is to be located in Habana and is expected to begin operations in December.

Tariffs and Trade Controls

Onions: Reduced Duty Period Extended.—The seasonal reduction of import duty, applicable under the Cuban customs tariff to imports of onions from the United States, has been extended in the present season through February 15, 1944.

[Onions imported into Cuba from the United States between June 16 and November 14 are subject to an import duty of \$2.50 per 100 kilograms, whereas onions imported from November 15 through June 15 are normally subject to an import duty of \$4 per 100 kilograms.]

Dominican Republic

Economic Conditions

Wholesale and retail trade in the Dominican Republic during October was maintained at a high level as compared with normal seasonal declines in this month in past years. The movement of exports and imports continued at a satisfactory rate. If exports continue at the volume maintained so far, the year's total may reach the highest point in the history of the country. The extensive public-works programs being carried on



in preparation for the country's Centennial Celebration in February 1944 are being accelerated. Maximum price schedules are fairly effective in controlling living costs, though prices of commodities, particularly imported ones, are high. Prices of domestic products are greatly affected by the difficult transportation arising from reduced supplies of tires and gasoline. The tire shortage is the most pressing, however, since gasoline rationing has effectively restricted its use to essential activity.

With the sugar-grinding season terminated, the only activity of the sugar centrals is preparation for the 1944 grinding and exportation of stocks on hand. A small coffee harvest is expected during the remainder of the year, and production of rice in quantity has begun, although no rice has as yet been offered for export. The tobacco harvest was very small as a result of unusually heavy rainfall during late maturity of the crop. In view of this, and also of the fact that there was a large number of tobacco dealers, prices to producers were relatively high.

Tariffs and Trade Controls

Paraffin Imports Made Subject to Prior Permit From Control Board.—A paraffin control board has been established in the Dominican Republic to regulate the importation and sale of paraffin, according to Presidential decree No. 1427, issued on October 7, 1943. The purpose of this decree is to assure that paraffin will not be sold at excessive prices in comparison with actual import prices.

El Salvador

Economic Conditions

Economic conditions in El Salvador appeared favorable in October, although seasonal business inactivity will continue until the peak of the coffee season at the

end of the year. The most important development during the month was the enactment of legislation providing that the coffee export tax be fixed annually in October, in relation to the current New York price for Brazilian coffee (Santos No. 4), which will result in an increase in the tax for the coming crop year of almost three times the previous level (\$1.264 per 100 Spanish pounds as compared with \$0.437, in effect since 1937). The proceeds of the tax are to be devoted exclusively to the reduction of El Salvador's internal and external debt until the obligations are terminated. The measure also represents an effort on the part of the Government to draw off some of the surplus money which accumulates during the coffee season.

The cost of living is still high although some reductions have occurred in the prices of imported foods and dry goods. A general increase has taken place in the wages of urban workers, except those in the employ of the Government, and it is reported that rural purchasing power has also risen. The price control program is progressing and maximum prices for from 10 to 20 articles are to be fixed each week.

AGRICULTURE

Heavy rainfall late in October did some damage to the new coffee crop but it is probable that losses did not exceed 15,000 bags. The 1943-44 crop is now estimated at 1,035,000 bags. Sales of slightly more than one-quarter of the crop have already been concluded, more than half of which were registered in October. Prices continued close to the ceiling.

Prospects for the basic food crops are reported to be excellent, except for the possibility that the bean crop may have suffered damage from the heavy rainfall. An accurate census of corn, bean, and rice production is being undertaken, and may be available by the end of the year.

The 1942-43 cotton crop of approximately 6,882,140 pounds is the largest recorded in El Salvador. Conservative estimates, however, place the probable yield from the present licensed planting of 32,384 acres at about 10,100,000 pounds, which would be double El Salvador's estimated cotton consumption during 1944 despite the recent expansion in the textile-manufacturing and hand-weaving industries.

SALES AND PRICES

The retail turnover in September was 10 percent greater than in August, but approximately 15 percent below the pre-war (1938) level. Sales at stores similar to department stores were 18 percent higher than in 1938, but on account of the present high prices probably did not represent more than half of the 1938 turn-over. Sales of drygoods and drugs were normal for the season of the year, with hardware sales about 15 percent less.

Decreases of 4 and 5 percent—the first reported since the general price rise in the middle of 1941—took place at the end of September in the prices of imported foods and drygoods. Nevertheless, imported foods are still 80 percent, drygoods 75 percent, hardware 65 per-

cent, and imported drugs nearly 30 percent above the 1938 price level.

Domestic food prices, according to an index compiled by the Institute of Inter-American Affairs, have risen 14 percent since June 1943 (24 percent since the beginning of the year, and are nearly 34 percent above the 1939 level. The survey indicates that food prices are usually lower at this season of the year, and that during 1942 the average price level was only about 6 percent above normal. Land values have risen an estimated 30 to 40 percent.

Excessive profits appear to be the principal factor in current high prices. In October the Committee of Economic Coordination fixed maximum prices for iron bars, iron and galvanized pipe, gray sheeting, dry batteries, various quinine products, and a number of agricultural implements. A list has been published of the basic items of clothing, tools, and medicinals which will be considered next, and maximum prices will be fixed weekly on from 10 to 20 articles. In an effort to halt widespread violations of ceiling prices for kerosene, a rural lighting necessity, it was decided to distribute it through one channel only in each locality, preferably a rural credit cooperative. Price control over cement was continued although rationing was suspended. In consequence of wide variations existing in the cost of cement imported by different dealers, a dealers' pool was established to insure a reasonable profit to all cement importers and the avoidance of losses to those whose landed costs were excessive.

WAGES AND EMPLOYMENT

A request for a 25-percent increase in wages by the recently formed Union of Commercial Employees has been acceded to by the principal business firms and banks and the two railway companies of the country. The action was general in all the urban centers. The Government, however, has not yet responded to a petition submitted last month for an increase in the salaries of public employees. Coffee pickers and other agricultural laborers are reported to be receiving higher wages in some localities, but this movement may not become general until later in the season when there is a demand for migratory workers.

The employment situation is much the same as it was last autumn, when there was a temporary shortage of agricultural laborers at the height of the coffee season. More than half of the 10,200 Salvadoran workers sent under contract to the Canal Zone are still employed there. About 3,700 laborers are engaged in building roads and other construction for the Government. The usual migration of workers from Honduras and Guatemala is taking place.

ELECTRIFICATION PROJECT

The harnessing of the Lempa River has long been contemplated. Tests made during the recent heavy rainfall to gage its velocity, in connection with the eventual construction of a large dam, recorded an average movement of 1,072 cubic meters per second, with a peak of about 4,000 cubic meters per second.



V-123
Official OWI Photo

France

Wartime Commodity Controls

Saccharin: Use in Certain Foods and Beverages Authorized Temporarily.—The use of saccharin in the preparation of certain foods and beverages in France was authorized, until a date to be fixed by decree, by a decree published in the *Journal Officiel* (Vichy) of February 19, 1943, according to L'Exportateur Français of March 5.

The products in which saccharin may be used are as follows: Sparkling wines, ciders and perries, bradies, liqueurs and sirups (except for products intended for exportation), lemonades, liquid coffees and teas, certain other beverages, confectionery, and food ices.

Tariffs and Trade Controls

Magnesium Chloride Mixed with Potassium Sulphate: Import Duties Suspended Temporarily.—French import duties were suspended temporarily on magnesium chloride mixed with potassium sulfate up to 15 percent or less of the total weight of the mixture, according to L'Exportateur Français of March 5, 1943.

Raw Hides and Skins: Special Sales Taxes Continued.—The special sales taxes of 2 percent on raw sheepskins and lambskins and of 4 percent on other raw hides and skins, which were established in France by an order of May 9, 1942, have been continued during 1943, by an order of February 26, 1943, published in the *Journal Officiel* (Vichy) of March 3, according to L'Exportateur Français of March 12.

These taxes were to be used to cover expenses of the General Organization Committee of the Leather Industry for financing the campaign to improve hides and skins.

[See FOREIGN COMMERCE WEEKLY of January 23, 1943, for announcement of the establishment of these taxes.]

"De Luxe" Pocket Lighters: New Marking Prescribed.—Two special stamps were created in France for marking "de luxe" pocket lighters of metal with a retail price exceeding 75 francs each if sold otherwise than in tobacco shops and manufacturers' stores, by an order published in the *Journal Officiel* (Vichy) of February 24, 1943, according to L'Exportateur Français of March 5.

This new marking was to be applied from a date fixed by the Director General of Indirect Taxes.

French North Africa

Tariffs and Trade Controls

Compensation Office to Regulate Prices Reorganized in Morocco.—The Compensation Office, created in the French Zone of Morocco by a dahir of February 25, 1941, for the purpose of regulating prices, has been reorganized and attached to the Commissariat for

Prices, by a dahir of August 13, 1943, published in the *Bulletin Officiel* of August 20.

The authority for collecting import and export license taxes and levies is continued, the amounts of such taxes or levies to be fixed by the Secretary General of the Protectorate.

To assure the greatest possible unity of action, the administrative council of this Compensation Office has been composed of the same administrative persons as the Central Price Commission. The administrative council decides which operations must benefit by aid from the Office and those which must be taxed to its profit. It also determines the amount of participations and levies and takes all measures necessary to assure the execution of programs outlined by the Central Price Commission.

A second dahir of August 13, 1943, and a residential order of August 14, modify the dahir of February 25, 1941, on the regulation and control of prices, effective from September 1, 1943.

Haiti

Economic Conditions

Haiti's domestic trade in September continued to be influenced by insufficiency of imported consumer items which resulted in substantial price increases. In the absence of general price control as a result of varied costs of the same goods in different consuming parts of the country—transportation being a major factor—living costs moved upward during the month under review. Most articles in scarce supply remained priced as high as the market would bear. Other goods influenced by the expanded national buying power also moved upward in price, carried along by the general movement. The prices of the principal staples of the peasant population, however, are controlled and the upward trend has not affected these items.

FOREIGN TRADE

Haiti's foreign commerce in September, the last month of the fiscal year, was below normal compared with returns for that month in previous years, but cumulative figures for the fiscal year were 17 percent more than the total trade of 1941-42, and more than any fiscal year's total since 1929-30. Total imports for the year were the greatest since 1933-34, although September's imports were less than last year's values. Total exports outstripped all years since the boom of 1929, the present year closing with a substantial export balance. However, September exports, usually heavy, fell below average, largely as a result of the slow movement of the coffee crop to port.

EXPORT COMMODITY TRENDS

Although Haiti's principal crop, coffee, usually begins to move during August, with heavy September shipments following, movement of the 1943-44 coffee to port has been slow, and exports in the month under review were much less than average. The banana industry continued its slow but steady recovery, and

More Ocean Shipping for Middle America?

A Central American syndicate is reported in the Guatemalan press as planning to build a fleet of merchant vessels for use in traffic between Mexican ports and the Isthmus of Panama. The ships would be built in Mexican yards with Spanish refugee technicians handling the construction work.

Since the boats would aid in transporting strategic materials, it is hoped that priorities on motors may be forthcoming from the United States. The names of the capitalists and details as to the number and types of ships projected are not given in the newspaper stories, but it is understood that most of the capital will be contributed by Central Americans, with some participation by Mexicans.

the month's shipments were the largest recorded since February 1942. Despite the sizable September shipment of cotton, total exports for 1942-43 were less than in the preceding year. Exports of cocoa were relatively strong throughout the year, surpassing 1941-42 in both quantity and value.

Hungary

Transport and Communication

Hungary's Water Transport Augmented.—Regular shipping traffic on the Koros, a tributary of the Tisza, was opened in August, thus lengthening Hungary's water communications by 80 miles, according to the Nazi press. This new water route crosses one of the most fertile regions of the country, it is said. Shipments may now go along the Koros River direct to Danube ports, and thus obviate costly rail transport.

Large area in Hungary will be made more fertile and cheap water transport will be available for the marketing of produce when a new system of waterways is completed.

The entire irrigation plan is built around the canal network which starts at Tiszalek on the upper Tisza River.

Mexico

Tariffs and Trade Controls

Requirement for Advance Consular Deposit of 5 Percent Ad Valorem Canceled.—The requirement for making an advance deposit of 5 percent of the net value of the goods with the Mexican consul on shipments to that country has been canceled by a Mexican Executive decree, published and effective November 5, 1943. The amount of any advance deposit that may have been made to a Mexican consulate since that date should

be billed against the importer in Mexico, as heretofore, since that amount will be deducted from the import duties assessed on the goods at the time of their customs clearance into Mexico.

[For announcement of the establishment and modification of this requirement, see COMMERCE REPORTS of July 4, 1932, and April 10, 1937.]

Netherlands West Indies

Economic Conditions

The refining of crude oil, principal industry of Curacao and Aruba, proceeded at a good rate throughout the quarter ended September 30, 1943. Expansion in the refining program is progressing rapidly and both plants are expected to be operating on large-scale production of high-octane gasoline in the near future.

The character of the import trade and sources of supply have changed considerably as a result of the nonavailability of many items, and though retailers have been forced to add or turn to other lines, they have been able to sell almost any merchandise which they could buy. Prices are 50 percent or more higher than those obtained for pre-war goods, and demand exceeds supplies on hand. Most of the foodstuffs, except fresh meat

which is imported from Argentina, continue to arrive from the United States.

Because of a scarcity of labor, work was suspended in the harvesting of aloes, the only agricultural crop of importance in the Netherlands West Indies, but at the end of September approximately 75 percent of the crop had been harvested. Market prices for aloes were lower during the September quarter, ranging from 42 to 47 cents per pound.

Mining of phosphate rock was not revived in the quarter under review; an adequate supply to meet any foreseen demand is on hand, and resumption of full mining operations is not in prospect for the immediate future.

The demand for labor, both skilled and unskilled, exceeds the supply. The cost of living continues to move upward. In recognition of this rise, employees of the Government and of the refining company in Curacao were granted on August 31 a 30-percent increase in salaries, retroactive to July 1, 1943.

Nicaragua

Exchange and Finance

Foreign-Exchange Import Controls Tightened.—To prevent exchange difficulties and to prevent importers from endangering their financial position by the accumulation of heavy inventories at high prices the National Bank of Nica-

ragua on September 22 issued new regulations with respect to imports. The bank has granted exchange permits during the past year for more than \$17,000,000 of which about 50 percent remains outstanding. In addition, stocks of certain goods are in excess of the requirements of the country and warehousing facilities are inadequate for storing additional quantities. Furthermore, because of large inventories some importers are having difficulty in providing local funds with which to buy exchange to cover current imports.

The new regulations provide:

(1) All requests for exchange registered with the National Bank of Nicaragua, which is the exchange control agency, as of December 31, 1942, are invalidated if the shipment was not made prior to November 1, 1943, and all requests for exchange registered with the National Bank between January 1, 1943, and September 22, 1943, are invalidated if shipments to Nicaragua have not been effected by December 31, 1943. Exempt from both these provisions are cases in which the importer has advanced funds outside the country on orders prior to September 22, 1943.

(2) From the date of the new regulations import orders must be approved by the Foreign Exchange Control Section of the National Bank of Nicaragua prior to being placed abroad. Without such approval goods will not be cleared by the Nicaragua customs officials, nor will the Central Bank or other banks sell exchange for payment of such goods.

(3) Authorizations referred to in (2) will be valid for 4 months from the date of issue or until the date of shipment, whichever is earlier. This time limit is also applicable to letters of credit issued by banks with prior authorization of the exchange control authorities. The time limit, however, is not applicable to orders recommended by the Price and Trade Control Board in respect of products which are allocated for export by the United States.

(4) Orders will not be approved for importers who have drafts pending payment or pending acceptance for more than 30 days from the date of receipt of such drafts by the collecting bank in Nicaragua.

(5) Goods allocated for export by United States Government agencies remain under Import Recommendation procedure and exchange for such goods will not be provided until import recommendations have been obtained.

Paraguay

Tariffs and Trade Controls

Ad Valorem Duty Rates and Surtaxes Revised Downward for Tariff Adjustment.—All of the ad valorem rates of import duty and the customs surtaxes of the Paraguayan customs tariff have been decreased by about one-fourth to prevent unintended increases in the ad valorem rates of duty by the adoption of the guarani, the new unit of currency, according to Paraguayan decree No. 914 of October 22, 1943, as published in the local press. This decree is effective retroactively from October 6, 1943, the date of promulgation of decree law No. 655, which established the guarani as the new unit of currency.

The new ad valorem import duty rates (basic rates plus the increase of 50 percent established by decree No. 54,777 of November 22, 1934), are now as follows, old rates in parentheses: 5.5 percent (7.5); 11 percent (15); 16.5 percent

Ecuador Extends Feeder Rail Lines in High Andes

One of the most difficult railroad construction jobs now under way in South America is being carried out against great topographical obstacles in the high Andes of Ecuador. There two feeder lines are being extended to tap the northern and southern interior of the republic. The feeder lines connect with the Guayaquil & Quito Railway, the nation's main railroad line, between Guayaquil, the chief seaport, and Quito, whose altitude of 9,500 feet makes it one of the highest capitals in the world.

By the end of 1943, it is expected that the Government-owned Sibambe-Cuenca Railway, with the aid of a \$400,000 credit from the Export-Import Bank of Washington, will have extended its line from Tambo to Azogues, a distance of 28 miles. Construction on the extension has been finished as far as Bibian, less than 5 miles from Azogues. Eventually Ecuador hopes to extend this feeder line to Cuenca, the largest city in southern Ecuador, with a population of 50,000. Meanwhile, Cuenca is connected with the railhead of Azogues by a paved segment of the Pan-American Highway.

The northern feeder line, on which construction is proceeding, is the Government-owned Quito-Esmeraldas Railway. Here construction is slowed by the difficulty of obtaining equipment. A roadbed has been laid a short distance beyond Salinas on a projected route to the northern port of San Lorenzo, which has no rail or highway connection. The projected rail line to San Lorenzo will cross a big tropical forest area.

The feeder lines and their extensions require construction work through high mountainous terrain. An illustration of what the rail builders are up against is shown in the completed route of the southern feeder line. Leaving the Alausi River Gorge at Sibambe, where the elevation is 5,925 feet, the railroad winds over mountain ranges to attain a maximum altitude of 10,646 feet, a net climb of 4,721 feet. There are long stretches of gradients ranging from 3 to 4 percent. The maximum grade is 5.5 percent. The climate ranges from temperate to cool, with average temperatures from 35° to 80° F.

Seven common-carrier railways operating in Ecuador have a total route length of 692 miles. Of this total, 374 miles represent five State-owned lines, and the remainder comprises privately operated mileage.

The Guayaquil & Quito Railway is privately owned but Government-controlled. Its 281-mile route runs the topographical gamut from the hot lowlands of the Guayas Delta to plateaus among snow-covered volcanic peaks.

(22.5); 22 percent (30); 27.5 percent (37.5); 39 percent (40); 35 percent (45); and 44 percent (60).

The customs surtaxes of 8 percent which applied to certain foodstuffs, raw materials, and chemical products is reduced to 6 percent, and the general customs surtax of 15 percent is reduced to 11 percent. All ad valorem import duty rates and the customs surtaxes are assessed on the f. o. b. value, port of export.

[For notice of increase of customs surtaxes see FOREIGN COMMERCE WEEKLY of October 23, 1943; and for notice of new unit of currency see FOREIGN COMMERCE WEEKLY of November 13, 1943.]

Southern Rhodesia

Exchange and Finance

Currency Circulation Increases During Fiscal Year.—Currency circulation in Southern Rhodesia increased 25 percent during the year ended March 31, the total circulation of coin, currency notes, and bank notes rising from £3,624,000 in March 1942 to £4,529,600 as of March 31, 1943, according to a report of the Southern Rhodesia Currency Board appearing in the Government Gazette of August 20.

The reserve of the Currency Board was valued at £4,672,000. Securities held as investments by the Board were valued at £3,753,500.

U. S. S. R.

Transport and Communication

Railway Completed.—A railway has been completed from Komosha (on the Moscow-Yaroslavl-Archangel line) via Kotlas, to a point in the Pechora coal basin, south of Pechora Bay on the Arctic Ocean, the foreign press reports. This new line—the North Pechora Railway—is 1,150 miles in length. It was started in 1940.

Uruguay

Wartime Commodity Controls

Tin Plate: Use Further Restricted.—Holders of tin plate must prove their need for this metal in accordance with their normal rate of consumption, and unneeded stocks will be added to the general stock pile and allotted against the presentation of certificates of necessity issued by the Direction of Industries, according to a decree of November 5, 1943, published in the Uruguayan Diario Oficial of November 10. Whenever possible, substitutes for tin plate must be employed.

[For previous announcements of the classification of tin plate as a prime necessity and the requirement of the declaration of stocks of tin plate, see FOREIGN COMMERCE WEEKLY of March 13 and October 9, 1943.]

Cognac: Sales Price Established.—The sales price of cognac manufactured by the Uruguayan National Administration of Fuel, Alcohol and Portland Cement

Sweden's Commercial Aviation: Significant Developments

Swedish commercial aviation activities have been speeded up during the past year. An aviation company has been formed under the name of General Aero AB, for the purpose of carrying on aviation operations, trade in airplanes and accessories, repairs of airplanes, aerial service, and other activities. Another company, the AB, Norrlandsflyg Lulea, organized early in 1943, plans to establish a route between Stockholm and Lulea. AB, Flygin-dustri, Halmstad, is constructing a plant at Jonkoping for the manufacture of gliders and soaring planes; this company also has a factory at Halmstad. Skandinaviska Aero AB, a subsidiary of AB, Bjorkwallsflyg, recently opened a workshop at Norrtalje for repairing and servicing civilian airplanes. It is reported to be the first of its kind in Sweden.

During 1942, a new workshop and hangar building was built for AB, Aero-transport at the Bromma Airport. This airport is now being enlarged to accommodate increased traffic. Work will be completed by the end of this year except for paving some of the runways. One runway will be suitable for blind landing.

A new station building was constructed during the spring of 1943 at the Bulltofta Airport near Malmo, and the roads to and from the airport were widened. A new airport at Timra, north of Sundsvall, was completed early in June to be known as Sundsvall-Harnosand Airport. It was constructed primarily for the Norrland Airline.

To stimulate interest in glider and soaring flying, clubs have been formed throughout Sweden, with higher training and education centralized at Alleberg in the Province of Vastergotland, where the Royal Swedish Aero Club has built a glider and soaring flying school.

(ANCAP) was established at 2.70 pesos per three-fourth liter bottle, by a decree of October 29, 1943, published in the Diario Oficial of November 4.

Tariffs and Trade Controls

Articles Manufactured From Imported Materials: Export Prohibition Relaxed.—Exportation of articles in the manufacture of which imported materials have been used and whose reexport was prohibited by decrees of July 25 and September 2, 1941, was authorized under certain conditions by a decree of October 29, 1943, published in the Uruguayan Diario Oficial of November 5.

The exportation of these articles must be authorized by the Ministry of Industry and Labor, on the recommendation of the Honorary Export and Import Control Commission, and the Commission will open quotas for the export of such manufactures, or endeavor to institute a system which will allow all interested manufacturers or exporters to benefit from such exports.

[For previous announcement of export prohibitions covering manufactured articles, see FOREIGN COMMERCE WEEKLY of August 9, September 6, and October 4, 1941.]

Sweden's Aerial Cableways

(Continued from p. 12)

Historical Background

While Carl Husberg is credited with building the first cableway, credit for the invention is given usually to Hodgson, an Englishman, who invented in 1867 the so-called one-line system, and to Bleichert, a German, who in 1877 invented

the two-line system. In the latter system, the supporting and drawing cables are separate. In 1873 A. F. Westerlund, another Swedish inventor, constructed a two-cable aerial transport system, and he probably was the first in the world to apply the endless-cable principle to an aerial cableway employing the two-line system.

The demand for cableways had become sufficiently large, in the nineties, to warrant their manufacture. Ernest Nordstrom launched a Swedish company in 1891 for the production of such transport systems, and his company built a cableway at Ostero, Norway, and also one for the transportation of oil drums at Henriksdal, Sweden.

Recent Improvements

Great improvements have been made in Swedish cableways since 1890. The carrying capacity has been increased from 5-to-20 tons per hour to more than 200 tons per hour. This achievement has been obtained by raising the net load from 300-to-400 kilograms to 1200 kilograms, adopting the use of four-wheeled trolleys in place of the former two-wheeled ones, and by doubling the speed. The increased speed has been made possible, in part, by the installation of automatic coupling devices. The adoption of ball and roller bearings has tended to decrease power consumption, and to increase safety in operation.

In the older Swedish systems, suspension towers and other structural parts were invariably of wood, as that was the least expensive of the materials used in construction work—but it now entails a heavy maintenance cost. In the period following the first World War, iron and steel supplanted wood to an ever-increasing extent, and during recent years concrete has been gaining ground in Sweden as a material for cableway construction.

News by COMMODITIES

Beverages

WINE PRODUCTION, FRENCH MOROCCO

Wine production in French Morocco in the 1943 season will amount to about 300,000 hectoliters (1 hectoliter=26.418 gallons), according to the Moroccan Viticultural Committee, compared with 480,000 hectoliters in 1942, 484,000 in 1941, and 521,000 in 1940. The decrease in wine production this year is attributed to an excessively hot summer and the lack of insecticides.

As Morocco consumes about 600,000 hectoliters of wine annually, Algerian wine will be imported to make up the deficit.

The price at which this year's crop of Moroccan wine will be sold has not been decided as yet. In 1941 and 1940, the price was fixed at 22.50 and 27.50 francs, respectively, per degree. Because production costs have increased this year, the growers' representatives have requested the administration of the Protectorate to establish the price at 35 francs per degree.

Chemicals

PYRETHRUM PRODUCTION TO BE INCREASED IN KENYA

Kenya is the leading source of supply for pyrethrum seed, and efforts to increase plantings are being made, the British press announces.

A shipment of 20,000 pounds will be sent to the Soviet Union for replanting 7,500 acres in the Caucasus, where pyrethrum was previously grown. Recently

10,000 pounds were sent to Brazil for planting in Latin America. A consignment of 5,000 pounds went to India, and small amounts have been shipped to Nyasaland, Nigeria, Egypt, the Belgian Congo, Australia, Ceylon, and Jamaica.

The British Ministry of Supply has guaranteed to purchase through 1947 the pyrethrum output from a maximum of 50,000 acres to be planted in Kenya by the end of 1943. However, no additional acreage is to be planted without the Ministry's consent. In 1944 the guaranteed price for dried flowers will be increased from 1s. to 1s. 3d.

STARCH MANUFACTURERS IN INDIA UTILIZING WASTE PRODUCTS

Production of adhesives from corn and groundnut proteins—waste products in starch manufacture—has aided the starch industry, the Indian press says. It has also been of help to the plywood trade, which has been affected by higher casein prices.

NEW ZEALAND'S CHEMICAL-FERTILIZER IMPORTS

New Zealand's imports of chemical fertilizers increased somewhat in value during the first half of 1943 compared with the corresponding period in 1942, published New Zealand customs statistics indicate.

During the first 6 months of 1943, they totaled £NZ214,984, while in the corresponding period in 1942 they amounted to £NZ198,395.

SYNTHETIC-AMMONIA PLANT ESTABLISHED IN SPAIN

A plant to produce synthetic ammonia has been established at Felguera, Oviedo Province, Spain, by the Sociedad Ibérica del Nitrogeno, in collaboration with the Montecatini interests, a European chemical publication reports.

An auxiliary plant will supply 130 tons of sulfuric acid daily for the annual production of 500,000 tons of sulfate of ammonia, it is stated.

NEW CALCIUM AMMONIUM NITRATE PLANT, SWEDEN

The Swedish Cooperative Union's new calcium ammonium nitrate plant will be located at Koping, Vasternorrland, instead of at Kinne-Kleva as previously announced. It was originally planned to use the waste gas from the Swedish Navy's shale-oil works at Kinne-Kleva, but this was found unsuitable as a raw material.

Construction of the plant has begun, and it is expected to be in full operation by the end of 1944. The cost will exceed 15,000,000 crowns. The factory's annual production is estimated at 40,000 metric tons, which will furnish approximately 20 percent of Sweden's total annual consumption of calcium ammonium nitrate.

Lime is readily accessible at Koping, and there is an adequate supply of elec-

tric power, of which about 30,000,000 kilowatt-hours will be required annually. Koping also provides excellent shipping facilities.

TANGANYIKA TO INCREASE PYRETHRUM PRODUCTION

It is planned to increase pyrethrum production in Tanganyika, says the British press.

Growers from the southern highlands were represented at recent discussions with officials in Dar-es-Salaam. Steps have been taken to develop closer relations between the Territory's Pyrethrum Board and that of Kenya, it is stated.

Construction (Including Highway)

ROAD TO OPEN RUBBER-PRODUCING AREAS IN COLOMBIA UNDER CONSTRUCTION

A road to open rubber-producing areas in Colombia near the headwaters of the River Orinoco has been started, states the foreign press. This road is to extend 512 miles from Villavicencio, a few miles south of Bogota, to Carreno, a river port on the frontier between Colombia and Venezuela, at the confluence of the Rivers Meta and Orinoco.

CONSTRUCTION IN BARRANQUILLA, COLOMBIA

Heavy construction in Barranquilla, Colombia, has practically ceased because of high prices and scarcity of structural steel.

One municipal housing project, known as the "Barrio Popular para obreros" (Popular Suburb for Workers), started in September, calls for 111 homes and two school buildings at an estimated cost of \$161,650. These homes are being built in a district where several of the newer factories are located. Workers may purchase the houses with a 15-percent down payment and a 20-year contract. Local materials are to be utilized and plans call for completion of the houses within 4 months.

The Matarazzo textile mill is still under construction; and the Colombia theater is being rebuilt. Plans also have been made for a two-story office building.

DWELLING PERMITS INCREASE IN NEW ZEALAND

Construction activity in New Zealand showed a decided increase in August 1943. Dwelling permits issued numbered 170 compared with 59 in the corresponding period in 1942. The total value of all building construction authorized advanced from £NZ196,881 in August of last year to £NZ572,674.

Accelerated construction of school buildings is indicated, when the present large hospital program is completed.

Something Sarong With This Picture

Japan's "co-prosperity sphere" has brought the "joys" of clothes rationing to the island of Sumatra. The Japanese-controlled Batavia radio said recently that the military administration in Sumatra had issued clothing coupons which permit the Indonesians to buy "good-quality clothes at moderate prices."

The clothing shortage in the Netherlands Indies has become so serious in recent months that the people of Java are unable to buy new sarongs. Using the shortage to stimulate production, the Japanese have told Java cotton planters that they will be permitted to buy a good sarong at half price for each hundredweight of cotton they deliver to Japanese authorities.

COMMISSION CREATED IN PARAGUAY

A commission has been created in Paraguay to study a project for the construction of grain elevators and refrigerating plants to store the agricultural products of the country, according to an Asuncion newspaper.

The commission is composed of the Administrator of the Banco Agrícola del Paraguay, the Director General of Agriculture, and an American technician of the Servicio Técnico Interamericano de Cooperación Agrícola in Paraguay.

The sum of 50,000,000 Paraguayan pesos has been placed at the disposal of the commission.

HIGHWAY TO BE BUILT IN PARAGUAY

Approximately \$2,000,000 is to be spent on the construction of an arterial highway from Asuncion, Paraguay, through the southwestern part of the country, states the foreign press. The road will serve a section which has no railways, and will run through a valuable grazing area.

ACTIVITY IN SWEDEN

A boom in building and construction activity is reported from Sweden for the first half of 1943. The year's total building program is expected to reach two-thirds of the 1939 record high.

Houses being built this year will provide living quarters for approximately 30,000 as compared with 24,000 in 1942, or an increase of 25 percent. The number of houses is expected to reach 67 percent of the 1939 figure. Industrial construction represents almost two-thirds of the total building undertaking.

A shortage of building brick made it necessary to ration brick in January but this was canceled in June as a result of increased production.

Under a law passed on June 30, a special building permit is required before construction work can be started.

HOUSES FOR AGRICULTURAL WORKERS UNDER CONSTRUCTION IN U. K.

The first 2 of the 3,000 rural cottages to be built for agricultural workers in England were opened officially by the Minister of Health on September 15, 1943. The number under construction on that date was 1,974.

CENTRAL-HEATING PLANT PLANNED FOR BRISTOL, U. K.

A project for heating the central section of the city of Bristol, England, is under consideration. Estimated capital cost, including preliminary and loan expenses, would be £1,550,000 (\$6,238,750) figured on commodity prices as of June 1939. The plant would be developed by stages, reaching full capacity of output within 17 years.

After 2 years of study, a plan has been evolved which calls for construction of a combined electric-power and heat-producing plant (the heating medium to be either hot water or steam, but probably the former under high pressure), located near the city's waterways and railroad system to facilitate coal transportation. It would serve about 345 acres.

It is estimated that the projected plant operating at full capacity, would consume 77,500 tons of coal a year,

whereas to produce the same amount of heat in the same area by present methods would necessitate a coal consumption of 100,000 tons. Another advantage claimed for the proposed plant is the elimination of much smoke.

Electrical Machinery and Equipment

IMPORTS INTO ICELAND

The value of electrical goods imported by Iceland in 1942 was 9,700,000 crowns, a marked increase compared with the preceding year.

In 1938, imports of electrical goods were valued at 2,200,000 crowns. In 1939, the total dropped to 2,000,000 crowns and in 1940 to 1,800,000, but rose to 4,400,000 crowns in 1941.

Foodstuffs and Allied Products

FOOD RATIONING IN SWEDEN

Strict ration of essential food commodities continued to be necessary in Sweden during the first 6 months of 1943. Increases in the meat and some other rations were possible, while such items as bread, flour, butter, and cheese were maintained at approximately last year's levels. On the other hand, the ration of eggs continued to be small.

The daily meat ration per person increased progressively from 28.6 grams at the beginning of the year to 97.8 grams during the period of June 7 to June 16, on which date it was reduced to 71.1 grams.

The general flour ration (which includes bread) remained practically unchanged during the first half of 1943, or about 167 grams daily per person. In addition, small rations of oats and barley were made available; during the corresponding period of 1942, these items were included in the regular bread and flour ration.

A slight improvement took place in the cheese ration, which was 4 grams daily per person up to June 11, 1943, and 4.9 grams for the period starting June 11. The sugar ration was maintained at 60 grams daily per person up to the end of May, and increased to 68 grams in June to facilitate fruit preserving. This is slightly lower than the 1942 ration. Small allocations of peas and beans were made available during the entire first half of 1943.

As a result of the increased production of potato flour, the daily ration of 3 grams per person was doubled in June and further increased to about 10 grams toward the end of the month.

The total allocation of eggs during the first 6 months of 1943 was about 2 kilograms (1 kilogram=2.2046 pounds) per person.

Following the exhaustion of stocks and interruption of imports by suspension

Pearls, Shells, in Demand: Venezuela Benefits

The pearl fisheries of the State of Nueva Esparta (eastern Venezuela including the island of Margarita) are "looking up," according to a recent story in the newspaper *La Esfera*, of Caracas. Improvements in the situation are said to be due largely to the activities of the Venezuelan National Fisheries Service in promoting this industry, as well as to (1) the newly established system permitting the pledging or pawning of pearls (that is, drawing advances against the value before actual sale takes place), (2) the arrival at Porlamar, the principal town of Margarita, of a number of active buyers, and (3) the current keen demand for the shells, used for making buttons, and for mother-of-pearl.

Some 50 metric tons of mother-of-pearl shell have recently been shipped at \$40 (U. S. currency) per ton, and 5,000 tons are said to be available. "This exceptional price for shell is much to the advantage of the fishermen," comments the newspaper *La Esfera*.

of safe-conduct traffic, no rations of dried fruits were possible.

Despite the larger coffee ration (between 2.6 and 4.5 grams daily) during the first half of 1943, the total quantity of coffee consumed was lower than during the corresponding period of 1942, when the ration fluctuated between 1.6 and 3 grams. This is explained by the fact that persons taking out tobacco cards are obliged to give up part of their coffee ration.

The daily allocation of almonds and spices was reduced gradually from 1.11 grams to 0.33 gram and from 0.25 to 0.20 gram, respectively, during the first half of 1943.

The edible-fat ration was maintained at 35.7 grams daily per person, or the same allocation as existed a year ago. Milk, potatoes, poultry, and fish continued to be exempt from the rationing regulations, although fish had to be rationed for a time in Stockholm during the period from January 11 to May 4, 1943.

Coffee**SALVADORAN COFFEE CROP**

The 1943-44 coffee crop of El Salvador is now estimated at 1,035,000 bags of 60 kilograms each, compared with 917,690 bags in 1942-43.

All Salvadoran export shipments are of hulled coffee in bags of 69.92 kilograms gross weight (150 Spanish pounds) but statistics in this item have been converted to the standard Brazilian bag of 60 kilograms gross weight (132 Spanish pounds).

Stocks of coffee in the interior of the Republic and available at Salvadoran

Search Begun for Grapes Adaptable to Tropics

Experiments in the development of grapes adapted to the hot, humid conditions of the tropical Americas have been started by the Inter-American Institute of Agricultural Sciences at Turrialba, Costa Rica.

Two hundred new-type hybrid grapes derived from crosses between commercial and wild species from the Tropics are being grown in the experimental effort, says Dr. Earl N. Bressman, director of the Institute.

The hybrid types in Costa Rica are based on previous experiments in grape-growing for tropical and semitropical climates carried out by Joseph Fennell at his home near Miami, Fla. Mr. Fennell, formerly with the United States Agricultural experiment station in Puerto Rico, now is horticulturist at the Inter-American Institute in Costa Rica.

"The big problem in grape-growing in the Tropics," says Dr. Bressman, "is to develop species resistant to the mildew disease which hampers commercial culture in hot and humid climates. The hybrid species which Mr. Fennell has introduced in our experiments at Turrialba show definite qualities of resistance or immunity to the mildew disease. At the same time, these species possess the high-grade qualities and yields of the ordinary grapes of commercial enterprises in the temperate zones of the hemisphere.

"The development of new types which eliminate the mildew-disease factors would permit large-scale commercial cultivation of grapes in tropical and semitropical areas of the hemisphere. This would be an exceedingly worthwhile accomplishment in the progress of tropical agriculture, now so important to the economic welfare of the Americas."

ports and at Puerto Barrios, Guatemala, as of October 31, 1943, amounted to 2,448 bags, as compared with 1,742 bags on October 31, 1942.

Coffee sales were most active during October. Slightly more than one-quarter of the estimated exportable 1943-44 crop has now been sold, and more than half of the sales registered took place in October.

Rainfall lasting for 5 days did some damage to the Salvadoran coffee crop in October, but fortunately only the small percentage which had already ripened was affected, and usually this coffee is of lower quality than that picked later in the season. Losses were heavier in the low areas, but the total amount destroyed probably did not exceed 10,000 to 15,000 bags.

Grain and Products

GRAIN PRODUCTION, NEW ZEALAND

New Zealand's 1942-43 production of wheat amounted to 9,821,718 bushels, of oats to 3,023,658 bushels, and of barley to 1,057,678 bushels, compared with 1941-42 production of 8,672,900, 3,687,490, and 1,297,974 bushels, respectively, according to published statistics of the New Zealand Department of Agriculture.

WHEAT AND WHEAT-FLOUR EXPORTS FROM CANADA

Exports of wheat (including wheat flour in terms of wheat) from Canada during the 1942-43 crop year, which ended July 31, 1943, totaled 211,517,686 bushels, compared with 222,007,141 bushels in 1941-42 and 231,206,246 bushels in 1940-41.

Wheat flour was an important part of the 1942-43 total exports, amounting to 56,588,469 bushels in terms of wheat, compared with 45,926,003 bushels in the 1941-42 crop year. This established a new record in barrels of Canadian flour shipped abroad, totaling 12,575,215 barrels of 196 pounds each.

In the years immediately preceding the outbreak of war, exports of wheat flour were about 5,000,000 barrels annually, and only in the 1923-24 crop year did flour exports exceed 12,000,000 barrels.

Meats and Products

ARGENTINE HOG INDUSTRY

Record market receipts for live hogs, record exports of frozen pork, and relatively unchanged prices for live hogs were the outstanding features of the Argentine hog industry during the July-to-September quarter of 1943.

Hog receipts in the third quarter of 1943 amounted to 846,000 head of live hogs. This figure is only slightly less than total annual marketings in 1939 and 1940 and in excess of annual marketings prior to 1933.

Exports of frozen pork in the third quarter of 1943 amounted to 26,230 metric tons, which was also a record. Exports in the corresponding quarter of 1942 totaled 15,438 metric tons.

MEAT SITUATION IN BRAZIL

In view of the rise in meat prices in Brazil, as a result of limited supplies, Ministerial order No. 139 of October 8, 1943, published in the *Diario Oficial* the following day, suspended the sale to the public of fresh, chilled, or frozen beef on Mondays and Thursdays during October and November 1943, in the States

of Minas Gerais, Sao Paulo, Rio de Janeiro, and the Federal District.

Other measures taken by the Coordinator of Economic Mobilization to improve the meat situation have included: (1) suspension of exportation since last year; (2) limitation of the slaughter of cows; and (3) introduction on the beef market of frozen meat twice a week during the months from August to November.

Excessive slaughter for export is regarded as a factor contributing to the present meat situation.

HOG SITUATION IN EIRE

There were 14,000 hogs in Eire ready for sale as bacon hogs on September 30, 1943, compared with 13,000 on June 30 and 18,000 on March 31.

The approximate number of hogs of all ages on feed on September 30, was 125,000 against 150,000 on June 30, 1943.

Commercial slaughtering of hogs during the third quarter totaled 48,140, compared with 80,741 during the previous quarter. Farm slaughtering during the quarter ended September 30, were estimated at 50,000. Supplies of bacon were sufficient for only about 25 percent of home-market requirements during the quarter.

Warehouse stocks of bacon at the end of September totaled 269 short tons (the lowest on record for some time), compared with 989 tons at the end of June and 1,079 tons at the end of the first quarter of 1943.

HOG SLAUGHTERINGS IN SWEDEN

Commercial hog slaughtering in Sweden during September 1943 amounted to 36,369 compared with 42,275 in the preceding month and 14,189 in September 1942.

Spices and Related Products

VANILLA-BEAN EXPORTS FROM SOCIETY ISLANDS, FRENCH OCEANIA

While it is still too early to estimate the 1944 vanilla-bean crop of the Society Islands, French Oceania, it is believed that it will be larger than the crops of this year and of last year (90 to 120 tons, respectively), because of the heavy planting of beans during 1941 and 1942, when prices were high.

Vanilla-bean prices on the Papeete market during the third quarter of 1943 were much lower than during the corresponding period of 1942.

A comparison of the average prices of the three grades of vanilla beans exported from Tahiti during the third quarters of 1942 and 1943, were as follows:

[Price per pound]

Month	White label		Yellow label		Green label	
	1942	1943	1942	1943	1942	1943
July	\$6.88	\$3.10	\$6.88	\$3.10	\$4.37	\$2.30
August	6.88	3.10	6.88	3.10	4.03	2.53
September	6.65	3.21	6.65	3.10	3.79	2.64

The war export tax for the fourth quarter of 1943 has been fixed at 52.30 francs per kilogram (about 54 cents per

pound in United States currency). At the present low vanilla-bean prices, the export tax of more than 50 cents per

pound is sufficient to make a decided difference in whether there is a profit or loss in handling the product. Therefore exporters are likely to be influenced by this factor with respect to the amounts they will be willing to ship during this quarter.

The carry-over as of October 1, 1943, is estimated to be about 50 tons. This represents the last of the 1943 crop.

SPANISH PAPRIKA CROP

Trade estimates of the 1943-44 paprika crop in Spain vary from 1,500 to 5,250 metric tons. It is reported that production has undoubtedly decreased from last season, and that the quality of this year's crop is not so good as last season because of the lack of water and fertilizers.

Stocks of paprika in Spain are estimated at from 1,000 to 1,500 metric tons.

Vegetables and Products

PRODUCTION IN AUSTRALIA

Approximately 1,047,000 tons of vegetables were produced in Australia in 1942-43, according to published statistics. Included were: Potatoes, 475,000 tons (45 percent); cabbages 111,000 tons; pumpkins 78,000 tons; tomatoes 72,000 tons; cauliflower 63,000 tons; swede turnips 49,000 tons; onions 47,000 tons; carrots 34,000 tons; and green peas 26,000 tons.

The area planted to vegetables for human consumption during the year ended March 31, 1943, totaled 330,595 acres, compared with approximately 238,710 acres in the year ended March 31, 1942. The 1943-44 production goal is 487,800 acres.

In 1942-43, Victoria, with 93,432 acres, harvested a larger area of vegetables than any other State. New South Wales came next, followed by Tasmania, Queensland, South Australia, and Western Australia. Potatoes comprised five-ninths of Victoria's total acreage, and potatoes and green peas were the two most important crops in New South Wales, representing 30 and 25 percent, respectively, of the totals. Potatoes and blue peas comprised 89 percent of Tasmania's total vegetable acreage, while in Queensland, pumpkins, potatoes, and tomatoes were the largest crops. The principal crop in both South Australia and Western Australia was potatoes.

Iron and Steel

CHILEAN COMMITTEE RECOMMENDS ESTABLISHMENT OF NEW STEEL COMPANY

A committee appointed by the Government of Chile to investigate the advisability of establishment of a new steel company reports that it would be practicable to establish a factory, with a capacity of 50,000 metric tons of steel a year, in Talcahuano. The committee recommends the use of El Tofo ore and of locally manufactured metallurgical coke mixed with domestic charcoal as a reducing agent. For heat, electric power from the Abanico hydroelectric plant that is now under construction, is advised.

Formation of a company with 60 percent of the capital to be subscribed by individuals and 40 percent by the State is also recommended.

A new mill could be in operation in 3 years, the report states, if the necessary machinery is obtainable.

NEW ZEALAND'S IMPORTS OF IRON WIRE

Imports of iron wire into New Zealand increased considerably in the first 6 months of 1943, having a value of £NZ-508,417 compared with £NZ138,220 in the January-June 1942 period.

Leather and Related Products

Leather and Manufactures

CANADIAN PRODUCTION OF MILITARY FOOTWEAR

Canadian production of all types of military footwear—leather, canvas, and rubber—is averaging more than 100,000 pairs a week, states a Canadian publication. More than 10,000,000 pairs have been purchased since the beginning of the war, the publication states. Approximately 50 shoe manufacturers and rubber factories with a total of 15,000 employees are kept busy turning out boots and shoes for the services.

COLOMBIAN LEATHER EXPORT MARKET

Colombia has built up a substantial leather export market in recent years, most of the shipments having gone to neighboring Latin American countries.

At present there are 119 establishments in Colombia engaged in tanning and finishing various types of leather. The two largest have recently effected a

merger. Approximately 109 of these tanneries have a capital under 50,000 pesos.

Hides and Skins

EXPORTS FROM KENYA AND TANGANYIKA

Total value of hides and skins exported from Kenya in 1942 was £295,049.

Exports of hides from Tanganyika during 1942 totaled 2,569 tons valued at £171,015, according to an East African publication.

Lumber and Products

ARGENTINA INCREASES PLYWOOD IMPORTS

Argentina's imports of plywood increased slightly in 1942 compared with the preceding year, the foreign press reports.

The total for 1942 was 12,224 tons; imports in 1941 amounted to 12,136 tons.

CANADIAN LUMBER SHIPMENTS

Canadian lumber shipments to the United Kingdom greatly increased in the first half of 1943, according to statistics furnished by the Maritime Lumber Bureau.

Exports to the United Kingdom in the first half of 1943 amounted to more than 363,000,000 board feet, compared with 134,000,000 for the first 6 months of 1942. However, shipments to the United States during the corresponding period declined sharply—from 761,000,000 feet in the first half of 1942 to 332,000,000 in the first half of 1943—a decrease of more than 50 percent.

Shipments through New Brunswick and Nova Scotia to the United Kingdom, exclusive of Douglas fir, amounted to 73,-



000,000 feet for the first half of 1943, an increase of 10,000,000 feet over the corresponding period in 1942. Lumber exports to the United States from these two Provinces, exclusive of Douglas fir, declined slightly—from 31,000,000 feet in the first half of 1942 to 29,000,000 for the first 6 months of 1943.

A considerable decrease in sold stocks at the end of June is indicated by reports from 77 mills in New Brunswick and 99 mills in Nova Scotia. Unsold stocks on June 30 also showed a decline, the total quantity of all species on hand being reported as slightly more than 8,000,000 feet.

WOODEN BLOCKS USED IN EIRE FOR FIREWOOD

Wooden blocks have been used in Eire for firewood to supplement limited fuel supplies, the British press reports.

However, trees may not be cut for firewood unless they have been inspected and declared unfit for other purposes.

SWEDISH LUMBER SITUATION

Aktiebolaget Statens Skogindustrier (State Forest Industries, Inc.), established in Sweden in 1941 to operate the State Forest Administration's industrial plants, showed favorable results in 1942, the first full year of operation, according to the organization's annual report.

Lumber production in 1942 totaled 90,000 standard (1 standard=1,980 board

feet) and the output of cellulose and chemical products amounted to 37,000 tons. Practically the entire cellulose output, or about 36,000 tons, valued at 9,100,000 crowns, was sold during the year. Lumber sales amounted to 82,000 standards, valued at 31,700,000 crowns. Chemical production is expected to show a considerable increase for 1943, since increased facilities are being made available.

Approximately 5,600,000 crowns were spent in 1942 for plant expansions and modernization. A large sum was used for increasing motor-fuel production at the Pitea and Skinnskatteberg wood-distillation works. Additions to the Skinnskatteberg sawmill and to the Karlsborg sulfate plant were completed. New equipment installed at the Batskarenas sawmill permits production of 100 percent kiln-dried lumber. The sawmill at Karlsborg is also being converted for kiln drying. Both the Karlsborg and Sjobacka plants were completely electrified during the year.

The Salsaker sawmill recently resumed operations for what may be its last season, as the State loan expires in 1943. If the mill is not sold to private interests, it is expected to be closed permanently.

Swedish lumber export sales for the first 7 months of 1943 amounted to 165,000 standard (1 standard=1,980 board feet), say timber trade reports.

Sales on the domestic market by export mills totaled 115,000 standards on August 1, an increase of 20,000 standards over the corresponding period in 1942.

Machinery, Other Than Electrical

MACHINERY FIRM CONTROLLED BY FARM ASSOCIATION

The Svenska Lantmannens Riksförbund (National Association of Swedish Farmers), a union of farmers' organizations, has acquired control of a firm dealing in machinery and agricultural implements.

In 1942, the Association took over a building-materials agency.

Medicinals and Crude Drugs

EXPORTS FROM COLOMBIA

Pharmaceutical specialties amounting to 45,551 net kilograms and valued at 77,733 pesos were exported by Colombia during the first 6 months of 1943, preliminary reports from that country show. Almost 83 percent of this total went to Panama and 10 percent to Venezuela.

SHORTAGE OF TWO ESSENTIAL DRUGS IN EIRE

The only essential drugs of which there are acute shortages in Eire are phenol and mercury salts, according to a member of Council of the Pharmaceutical Society of Ireland. The Government Re-

search Bureau is taking steps to improve the supply of phenol.

MEXICO CULTIVATING MEDICINAL PLANTS FORMERLY IMPORTED

Eight plants which yield medicinals and insecticides are being cultivated for the first time in Mexico at several new agricultural stations, where United States specialists are cooperating with the Mexican Department of Agriculture.

Belladonna, used in treating heart ailments and in corn plasters, formerly came from central Europe. During World War I its price was \$5 per pound. Before the present conflict it was 15 cents a pound and since then has increased to 20 times that amount. Later it dropped to \$1.50. It is hoped generally that a new supply produced in Mexico may stabilize the price.

Property belonging to the Governor of Sonora was made available for the red-squill program. At this location in Lower California, experts are attempting to raise a plant with consistently high poison; the poison percentage content of Mediterranean red squill fluctuated greatly. Red squill is needed to protect wartime food supplies from rodents.

Senna, peppermint, henbane, stramonium, and pyrethrum have also been planted in Mexico recently. Before the war they came from such widely divergent places as India, Egypt, and Japan.

The Department of Health of Mexico announced recently that there are 60,000 cinchona plants growing on an experimental farm at Guatimoc, State of Chiapas, where work was begun 2 years ago. A small factory, established in that area for the extraction of quinine, has begun operations.

Since this experiment appears to be successful, the Health Department is beginning surveys in Veracruz, Oaxaca, and Michoacan, with the idea of developing new plantations.

It is believed that, within a few years, Mexico will not only have enough quinine for its own domestic consumption, but also will have an exportable surplus.

ALOE PRODUCTION NETHERLANDS WEST INDIES

During the quarter ended September 30, 1943, production of aloes in the Netherlands West Indies amounted to approximately 2,000 cases, a 100-percent increase over the output of 1,000 cases during the first half of 1943.

During the first 9 months of 1943, 1,100 cases were exported and stocks on hand on September 30 were estimated at 1,900 cases.

About 75 percent of the crop has been harvested. Work has been suspended because of the labor shortage and high wages.

NEW ZEALAND IMPORTS INCREASE

The value of medicinal preparations and drugs imported by New Zealand during the first 6 months of 1943 was £NZ231,810, according to an official publication of that country. This is an increase of more than 60 percent over the £NZ143,954 worth of products received during the corresponding period of 1942.

Ten Banana-Dehydrating Plants for Mexico

Plans for the construction in Mexico of 10 banana-dehydrating plants were recently revealed by Dr. Donald F. Othmer, head of the Department of Chemical Engineering of the Polytechnic Institute of Brooklyn (as reported in the Mexican Review). Dr. Othmer made the announcement after carrying out an extensive survey of possibilities in Latin America. Reports state that Dr. Othmer has returned to Mexico to establish the first plant, and this is expected to be in operation by the end of this year.

Mexico's banana harvests during recent years fell off considerably, in consequence of the inability to transport them to the foreign consumers. From 1939 to 1940 the decrease was more than 100,000 tons. However, with the bettering of transportation facilities and with the impetus that will be given to the industry through the new plants, it is expected that harvests will register noteworthy increases.

Dehydrated bananas are needed in large quantities for the armed forces of the United Nations. The banana-dehydrating industry in Mexico is at present in the "infant" stage. The proposed plants will increase production greatly and should, it is anticipated, transform the industry completely.

SWISS PHARMACEUTICAL MANUFACTURE

Swiss chemical companies have reported that the pharmaceutical branches of their industry had good earnings in 1942. Domestic consumption of certain new products was most marked, and it appears now that several of these articles will be received favorably on the foreign market after the war.

One large firm which manufactures pharmaceutical products and which reported an increase in profits over 1941 revealed, however, that neither its domestic nor its foreign stocks have increased, and that, though raw materials have been difficult to secure, this obstacle in most cases had been largely overcome, and materials were assured for the greater part of 1943. Raw materials are more expensive and turn-over of products has increased, it was added. Improvements in factory methods are said to be the reason prices have not been raised.

Because it is felt that undernourishment and lack of proper hygiene have increased in great measure in Europe, work on new buildings and installations for research and production of pharmaceuticals has been hastened in Switzerland.

Metal and Minerals

CEYLON'S GRAPHITE SHIPMENTS DECREASE

Graphite shipments from Ceylon in the period from January to September 30, 1943, totaled 298,889 hundredweight, a considerable decrease from the 433,367 hundredweight shipped in the first 9 months of 1942. Stocks on hand at the end of September 1943 totaled 1,220 tons.

The present contract with the United Kingdom terminates at the end of 1943 and the foreign press says that the contract proposed for 1944 involves a reduction in price and quantity.

GOLD AND SILVER EXPORTS FROM HONDURAS

The value of gold and silver exports from Honduras increased to \$114,157 in August 1943 and \$120,206 in September from the \$75,172 reported for July 1943.

PHOSPHATE MINING, NEW ZEALAND

An area of about one-half acre at Clarendon, New Zealand, contains a minimum of 27,000 tons of hard phosphate-bearing sandstone, says the British press.

Production of serpentine superphosphate in North Island has continued, more than 15,000 tons of serpentine rock having been delivered to manufacturers for conversion into serpentine superphosphate.

Geological and chemical examinations of a serpentine mass at Black Ridge, Mossburn, Otago, revealed at least 6,000 tons of recoverable serpentine, the report states.

DEVELOPMENTS IN GREECE

Principal metals now being produced in Greece are nickel and chrome, says the foreign press. Nickel mines at At-

alante and Karditsa have a monthly production of 3,000 tons of ore with 2½ percent nickel content, and output of the mine at Larimne is about 2,000 tons.

The German Krupp Works receives the entire output of chrome ore from Greece, and the price paid by Germany is reported to have risen from 80 reichsmarks a ton to 300 to 400 reichsmarks in the year between September 1941 and August 1942.

The Laurion mines have discontinued production of lead.

Monthly production of the bauxite mines near Amphissa is reported to be about 3,000 tons a month.

SCHHEELITE PRODUCTION STIMULATED BY NEW ZEALAND GOVERNMENT

To stimulate production of scheelite in New Zealand, two of the principal mines of the Glenorchy District, Lake Wakatipu, have been taken over by the Mines Department, the foreign press reports.

In 1942, a total of 16 tons of scheelite concentrates was obtained, and the equivalent of 70½ tons of 65 percent tungstic acid content concentrates was produced. Production of 16 tons of concentrates was reported for the first 5 months of 1943, and output is expected to be maintained at this rate during the remainder of the year.

In addition to the Government-operated mines, there are a number of small producers from whom increased output is expected. Some scheelite also comes from Macrae's Flat, but Glenorchy continues to be the most important source.

NEW ZEALAND'S IMPORTS OF METALS

The value of pig lead, tin ingots, and brass pipes and plates imported into New Zealand in the first 6 months of 1943 increased over the value of these imports in the comparable period of 1942; decreases are reported in the value of imports of copper pipes and plates, and of copper wire. Details are shown in the table following:

(Value in New Zealand pounds)

Item	First 6 months of 1942	First 6 months of 1943
Lead (pig).....	22,250	37,585
Tin (ingots).....	5	114,724
Brass pipes and plates.....	24,324	28,757
Copper pipes and plates.....	72,950	60,216
Copper wire.....	49,795	48,900

MICA MINING INCREASED IN SOUTHERN RHODESIA

Increased mining of mica in Southern Rhodesia, particularly in the Lomagundi area, is reported by the foreign press. A 15-percent increase in the price of mica, recommended by the government of Southern Rhodesia, has been accepted by the British Ministry of Supply.

SWEDEN NOW REFINING ZINC

Output of about 5,000 metric tons of zinc a year is expected from a refinery in Trollhattan, Sweden, which was scheduled to resume operations in the fall of 1943 after having been closed since 1925. The Swedish ore that is to be refined was formerly exported to Belgium and Germany for this purpose.



Zinc waste from Swedish galvanizing works is treated by another Trollhattan refinery which expects to handle about 5,000 metric tons of zinc waste a year. New methods now in use at this plant will result in the utilization of practically 100 percent of the zinc contained in the waste. Byproducts extracted include ammonium chloride, zinc gray (a second-grade quality of zinc white), and iron. This company plans in the future to refine zinc ore.

OUTPUT IN TANGANYIKA

Good progress in lead production by a company in Tanganyika that is using equipment produced locally is reported by the foreign press. A substantial quantity is to be sold to the Tanganyika government during the first year of production.

Looking toward the use of graphite from Tanganyika in the war industries, samples have been sent by air to the United Kingdom for testing.

Eleven thousand pounds of mica were awaiting shipment from Tanganyika in September, and a conservative estimate placed production for the remainder of 1943 at 30,000 pounds.

DIAMOND "STRIKE" IN VENEZUELA

A rich diamond "strike" in the region of Alto Caroni River, Venezuela, is reported in the foreign press. A number of diamonds said to total 400 carats were found in one small excavation. Operations in search of alluvial diamonds and gold have been in progress in this region for 5 years.

SALT PANS OF WESTERN THRACE

Salt production on the coast of Thrace, west of Dedeagach (Alexandroupolis), amounted last summer to 300,000 kilograms daily or an estimated 15,000,000 kilograms for the season, says the foreign press. Output is sufficient to satisfy all of Bulgaria's needs.

Natural salt pans for the production of salt are filled by the side with water from the Aegean Sea, and the water is evaporated by the sun, leaving a deposit of salt.

The salt content of water from the Aegean Sea averages 36 to 37 percent, or about twice as much as the Black Sea, according to the report.

Naval Stores, Waxes, and Resins

CAUASSU WAX MAY CREATE NEW INDUSTRY IN BRAZIL

A new Brazilian industry, exploitation of cauassu wax, reportedly will not be developed further until after the war. Manpower shortages as well as various other wartime difficulties make present commercial advance impossible.

The greatest advantage of producing cauassu is that its harvest is much easier than that of the carnauba palm, yet the wax obtained from the underside of the cauassu leaf is said to be equal in quality to that of the carnauba.

Cauassu grows on the highlands of the State of Para. Its appearance resembles a small banana tree, and, because of this diminutiveness, the leaves are easily accessible. The problem of transporting the crop is minimized by the fact that the plant flourishes near streams.

One problem awaiting solution for both cauassu and carnauba wax production is that of improving the means of extracting wax from the leaves; much of the product is said to be lost by the hand method now employed.

Leaves of the cauassu plant are used at present to wrap fresh meat and to make containers for flour, sugar, and similar products.

CHIR-TAR DISTILLATION, INDIA

Retorts for large-scale distillation of chir tar have been set up in the United Provinces of India, according to the latest annual report of the Indian Forest Institute.

The product is suitable for use in rope- and rubber-manufacturing plants and in the manufacture of medicinals, it is stated.

TURPENTINE AND ROSIN PRODUCTION, INDIA

Rosin production in India for the quarter ended June 30, 1943, amounted to 1,058 long tons; stocks on hand on June 30 totaled 1,565 tons.

Turpentine output during the June quarter was 233 long tons, and stocks at the end of the quarter amounted to 398 long tons.

Oils, Fats, and Oilseeds

BELGIAN CONGO INCREASES PALM- AND CASTOR-OIL OUTPUT

The Belgian Congo now ranks second in world production of palm oil and has increased its output of that commodity 50 percent since the war began, reports the foreign press.

The mandated territories of the Belgian Congo produced five times as much castor oil in 1942 as they did prior to

Chile's Achievement in Rice Production

Eleven years ago, in 1932, Chile produced practically no rice and imported 8,500 metric tons. But, in the relatively short period that has elapsed since the year mentioned, Chile has turned the former shortage into a surplus, and in the harvest of 1942-43 (our winter is of course the Chilean summer) more than 100,000 metric tons of rice were produced in the Republic—12 times the amount of the imports of 1932, and a quantity sufficiently large to supply the entire home market and leave a surplus of 28,000 tons for exportation. These facts are set forth in a recent article in the newspaper *La Esencia*, of Santiago, which characterizes the achievement as a "Chilean miracle."

This transformation of an imported commodity into an export crop has had, the writer notes, a decidedly wholesome effect on the nation's economy. As late as 1940 Chile imported 400 metric tons of rice at a cost of 500,000 pesos. The area now devoted to rice in the Republic reportedly exceeds 65,000 acres. The present retail price of rice in Chile is about 3 pesos per kilogram.

Chief present concern of Chile's rice growers, according to the article in the Santiago paper, is whether or not they will be able to compete on a price basis with rice from the Far East in the post-war era.

the war, claims a high-ranking official of that country as reported in the foreign press.

FATS AND OIL SITUATION IN BULGARIA

The fats-and-oils situation in Bulgaria is indicated in two recent items appearing in the foreign press. One article concerns a conference held by the Supreme Commissar for Wartime Economy, which was attended by several other high-ranking Bulgarian officials. The discussion concerned itself with the most acute problems of the production and distribution of fats as well as clothing and footwear, the report states.

The other item deals with new and more stringent regulations in respect to the processing of oil-bearing seeds. As a result of an October decree, the Direction for the Purchase and Export of Cereals will sell oil-bearing seeds only to commercial oil factories, and the factories, on their part, can receive no seed except that obtained from this governmental organization.

Those firms which are not officially recognized as commercial mills or factories by the Direction may still process sunflower, white-poppy, and sesame seed if it is obtained from the producers di-

rectly, but no pumpkin seed, tobacco seed, muskmelon seed, cottonseed, watermelon seed, linseed, soybeans, or grey poppy seed can be processed by them, nor can they accept payment for the processing in kind—that is, seed or oil.

The Direction for the Purchase and Export of Cereals also indicates those factories which may sell oilcake.

After the extraction of the oil, the factory issues a certificate when it delivers the product to the producers. Processing operations are closely controlled by the Direction, and all noncommercial concerns must obtain from that governmental body, authorization to commence operations.

CANADIAN FLAXSEED MOVEMENTS VIA GREAT LAKES

Movements of Canadian flaxseed down the Great Lakes between the opening of navigation and October 21, 1943, amounted to 3,714,538 bushels, according to data released by the Agricultural Branch of the Dominion's Bureau of Statistics.

These figures represent an amount 10 times as great as the quantity transported in 1938 and more than 6 times as great as the 587,937 bushels shipped in 1942. Shipments to both Canadian and United States ports are included in the compilation.

CANADIAN RAPESEED PROSPECTS

From the 4,000 acres planted to rapeseed in Canada in 1943, more than 2,300,000 pounds of rapeseed are expected. About two and one-half times this amount would be required to fill the need of 2,000,000 pounds of oil for marine-engine lubricants.

The Canadian Government distributed 43,604 pounds of rapeseed last spring to planters.

CANADIAN OILSEED REGULATIONS

Official grades of sunflower seed and rapeseed have been established by agencies of the Canadian Government, which also, it has been announced recently, will continue to control the sale of flaxseed through the 1943-44 crop year.

CANADIAN LINSEED ACREAGE

The first published official calculation of the probable area seeded to linseed in Canada in 1943-44 placed the total at 5,994,646 acres, compared with 6,110,373 acres in 1942-43.

This represents less than a 2-percent decrease, according to the Agricultural Branch of the Dominion's Bureau of Statistics.

EXPORTS OF PALM KERNELS AND PALM OIL FROM LIBERIA

Liberia exported 18,681 bushels of palm kernels valued at \$10,113 during the calendar year 1942, according to a report of the Bureau of Revenues of the Republic of Liberia. No palm kernels were exported in 1941.

No palm oil was exported in 1942, and only 55 gallons valued at \$6 were shipped in the preceding year.

SESAME PROSPECTS IN NICARAGUA

Through September 30, 1943, the National Bank of Nicaragua had loaned a

total of 1,873,659 cordobas for the planting of 18,662 acres of sesame. All of this seed was cultivated in western Nicaragua, with about 50 percent confined to the Department of Leon.

Increased shipping space for sesame exports is expected following the harvest.

During the months of December and January, 9,500,000 pounds of sesame seed will probably be gathered in Nicaragua. Last year's crop of 8,950,000 pounds was about 6 percent less.

NEW ZEALAND'S LINSEED OIL EXPORTS

Since May 1, 1943, the new linseed-oil factory at Dunedin, New Zealand, has exported at least an average of 5,000 imperial gallons of linseed oil and 50 long tons of linseed cake weekly.

ESTIMATED SEED CROPS IN PALESTINE

The latest estimates on sesame released by the Department of Agriculture of Palestine place the 1942 crop at 194,205 dönüms (1 dönüm—one-fourth of an acre) compared with 222,267 dönüms in the preceding year. Production is estimated at 6,214 tons—a 253-ton decrease from that of 1941. The total value of sesame, according to this source, will probably amount to LP267,725 compared with the harvest in 1941 which, though larger in quantity, was worth only LP242,189.

Palestine's 1942 linseed crop was estimated to be approximately 85 percent greater in acreage, 70 percent greater in production, and almost 250 percent greater in value than the 1941 harvest, according to the latest reports from the Department of Agriculture of that country. About 2,080 dönüms were thought to have been planted in 1942, compared with 1,133 in the preceding year, and this amount probably yielded 159 tons of linseed, 66 tons more than in 1941. The value of this harvest was estimated as LP7,330 compared with LP2,120 for the last preceding year.

The latest estimates on sunflower cultivation released by the Department of Agriculture of Palestine place the 1942 crop at 1,984 dönüms compared with 1,615 dönüms in the preceding year. Production is estimated to be 123 tons, an 11-ton increase over that of 1941. While 1942 acreage increased about 22 percent over 1941 and production about 10 percent, the total value will be almost three times greater, it is anticipated. The value of the 1942 crop is expected to be LP7,060 compared with LP2,664 in 1941.

PORTUGAL'S OLIVE-OIL PRODUCTION

Portugal's 1943 production of olive oil is estimated at 80,000,000 liters, compared with 38,000,000 liters in 1942 and 100,250,000 liters in 1941, according to a foreign newspaper. Because of the scarcity of animal fats, all but 10,000,000 liters will be needed for domestic consumption.

RUMANIAN FATS SITUATION

The German-controlled press recently admitted that deficiencies of vegetable and animal fats had been felt in all European countries and that Rumania was no exception in this respect—particularly after Bessarabia was lost in

1940. That Province supplied about 60 percent of the country's total production. Rumania's fats position was further weakened by poor crops in 1941 and 1942.

The report added, however, that the condition was different in 1943 because about 22,000 carloads of vegetable oil were available. This source stated that animal fats had been on the rise also and were expected to increase in the autumn of 1943 when large numbers of cattle and hogs were to be slaughtered.

The National Economy Minister of Rumania has approved a ruling by which the Undersecretariate of Supply has the authority to control and limit the consumption and distribution of animal and vegetable fats as well as oil-bearing seeds and their byproducts, according to a recent item in the German-controlled press.

SITUATION IN "SLOVAKIA"

Farmers in "Slovakia" have been forbidden to decrease their 1941-42 acreage of linseed, the German-controlled press reports. In addition, the Minister of Agriculture and Forestry has "requested" all farmers to use at least 4.5 percent of their ground for oilseed cultivation in the crop year 1943-44, though the crop may be freely chosen, with the exception of flax which can be cultivated only on a contract basis.

The Nazi newspapers further declare that, compared with 1941, oleaginous cultivation in "Slovakia" increased almost one and one-half times in 1942, five and one-half times in 1943, and is expected to be seven and one-half times greater in 1944.

FATS RATION IN SWEDEN

The edible-fat ration in Sweden this autumn was the same as it was a year ago—35.7 grams (about 1¼ ounces) for each person daily.

SWEDISH IMPORTS OF OIL DECREASE

Imports of animal and vegetable oils into Sweden decreased in value from



Official OWI Photo

169,000,000 crowns for the first half of 1942 to 156,000,000 crowns for the corresponding period of 1943, according to official reports from that country.

Petroleum and Products

GASOLINE CONSUMPTION IN CANADA

Despite a sharp increase in Canadian gasoline consumption during the second quarter of 1943 compared with the corresponding period of the preceding year, total consumption for the first 6 months of 1943, according to a Canadian publication, was 113,936 barrels below that of the comparable period of 1942.

From 4,849,308 barrels of gasoline consumed during the first quarter of this year, consumption shot upward to 7,009,316 barrels in the second quarter. Last year's consumption was more even, having come to 5,369,152 barrels in the first quarter and 6,593,408 barrels in the second quarter.

Figures of the Office of the Oil Controller indicate that the Maritime Provinces increase their consumption from 932,949 barrels in the first half of 1942 to 1,036,589 barrels in the corresponding period of 1943. Consumption for Ontario and Quebec together, in the first half of this year, was 6,161,302 barrels, a decrease of 702,532 from the January-June period of 1942. The Prairie Provinces increased their consumption from 3,243,807 barrels in the first half of last year to 3,605,623 in 1943. In British Columbia consumption rose from 931,970 to 1,055,110 barrels.

NEWFOUNDLAND'S IMPORTS FROM CANADA

Nearly all petroleum products used by Newfoundland last year originated in Canada, according to the Dominion press. Of the 3,880,000 gallons of gasoline used for fisheries, all but 550 gallons came from Canada. Newfoundland's total consumption of gasoline used for motor fuel (1,470,000 gallons), and 973,000 gallons of illuminating fuels were imported from Canada. Newfoundland used 5,880,000 gallons of petroleum, crude and fuel oils, of which 5,878,000 gallons came from Canada.

NEW ZEALAND'S IMPORTS OF MINERAL TURPENTINE

New Zealand's imports of mineral turpentine (petroleum spirits) from the United States during the first 6 months of 1943 amounted to £NZ12,892, according to figures released for publication by the New Zealand Customs Department.

Imports of vegetable turpentine for the same period totaled £NZ10,462.

Refrigeration

REFRIGERATION IN BULGARIA

Artificial refrigeration has advanced considerably in Bulgaria in recent years, press reports from that country state. At present, there are 3 large Government-owned refrigeration units, 36 municipal-owned, and 36 privately owned

plants. Together, these require approximately 15,050,000 kilowatt-hours of electricity.

Total investment in refrigeration installations is reported to be about 450,000,000 leva.

Shipbuilding

MOTORSHIP LAUNCHED IN SWEDEN

The ore-carrying motorship, *Suorva*, 8,960 deadweight tons, was launched in Sweden on August 17, 1943. It is 442 feet 10 inches long overall, 56 feet 6 inches wide, and 38 feet deep, and is designed for a speed of 13¾ knots when fully loaded.

Soaps, Toiletries, and Essential Oils

CHILEAN PRODUCTION OF OIL OF EUCALYPTUS

Chile's annual production of oil of eucalyptus recently was estimated by unofficial sources of that country at 12,000

Dutch Smokers' Woes and Hopes

With the importation of tobacco from the United States, Egypt, and the Balkans at a complete standstill, the Netherlands' interest in growing this product in Dutch soil assumes ever larger proportions. In 1941 the total production of home-grown tobacco amounted to 10,000 kilograms; in 1942, it rose to 23,000 kilograms, while the estimate for the 1943 crop is between 100,000 and 200,000 kilograms.

Most of this tobacco is grown by amateur planters, in small gardens, or even in small plots at the back of city homes. According to the Amsterdam daily *De Telegraaf*, fermenting of the tobacco under the present Nazi regime must be carried out by officially appointed fermenters, who must treat the product for smoking or chewing tobacco, or shag. Amateur planters cannot send in the tobacco for fermenting or for cutting only.

It is not permissible to have the tobacco prepared for cigars or cigarettes, although *De Telegraaf* claims that cigarettes made from home-grown tobacco have been found to be of good quality. The process needed for the manufacture of cigarettes can only be carried out in cigarette factories. The Dutch daily admits that it does not know why the authorities are raising objections to amateur growers' having their product processed for cigarettes, and it expresses the hope that a change may be made in this rule.

liters. (The weight of 1 liter of eucalyptus oil is estimated as 900 grams.)

LIBERIA: PERFUMERY AND SOAP IMPORTS

Perfumery valued at \$23,288 was imported by the Republic of Liberia in 1942. Other toilet articles imported during that calendar year amounted to \$13,064, according to figures released by the Bureau of Revenues of Liberia.

During the calendar year 1942, the Republic of Liberia imported 115,204 pounds of laundry soap valued at \$12,740, the Bureau of Revenues of that country reports. In addition, 16,269 pounds of toilet and medicinal soaps worth \$3,843 were received.

WASHING AND CLEANSING COMPOUNDS RATIONED IN SWEDEN

Washing and cleansing compounds which contain more than 4 percent fatty acids have been placed under rationing regulations in Sweden.

SOAP RATIONING, U. K.

The Ministry of Food of the United Kingdom has announced that supplies of soap will be made available to quarry employers who are providing washing facilities for their workers. One ration per each 4 weeks for each worker is the allowance.

An official of two large British soap-manufacturing companies recently announced that soap rationing in the United Kingdom had resulted in a reduction of 18 percent in consumption of oils and fats used as soap in the home in 1942. An even greater decrease is expected in 1943, this source continued. There is also a great deal of interchange of soap manufacture to save transportation facilities in the United Kingdom.

Textiles and Related Products

Cotton and Products

NORTHERN IRELAND TO MANUFACTURE SHEETS FOR U. K.

Northern Ireland has been designated to manufacture sheets for the entire United Kingdom.

Sufficient yarn to double the output of standard sheets has been allotted by the Board of Trade, in an effort to replenish the low supply available for the retail market.

Silk and Products

ARGENTINA'S HOSIERY INDUSTRY

Manufacture of women's silk hosiery was begun in Argentina about 15 years ago, and the industry has grown steadily, particularly through export demand since the war.

According to published reports, Argentina's 66 hosiery mills produced 13,204,823 pairs of women's natural silk hosiery and 4,742,378 pairs of rayon hosiery in 1940. In 1941, says the report, 6,798 pounds of silk hosiery were exported. These had expanded to 109,280 pounds

in 1942, and reached a high of 135,526 pounds of silk and mixed silk hosiery in the first quarter of 1943. Further business is hampered by the virtually complete cessation in 1942 of imports of silk thread.

Imports of natural-silk thread had previously declined from 285 tons in 1940, to 266 tons in 1941.

Wool and Products

CANADA RELEASES WOOL FOR CIVILIAN USE

Approximately 5,000,000 pounds of New Zealand wool were released by the Canadian Wool Board Ltd., to be sold by dealers and agents for civilian purposes, according to a trade publication.

Purchases must be for not less than 25,000 pounds. Orders for 50,000 pounds or more can be held for shipment at four 30-day intervals, but not beyond 90 days from time of purchase.

Woolen and worsted mills expect to complete Government orders in the near future, and plan to expand production of civilian goods shortly after the first of the year, unless Government needs show an unexpected increase.

MILLS ACTIVE IN SCOTLAND, U. K.

Utility lines and Government orders kept manufacturers of Scotch tweed and hosiery fully occupied during October.

Border woolen mills are reportedly booked for a winter of full and steady employment.

The export market remained dull.

Miscellaneous Fibers

LINEN AND JUTE MILLS ACTIVE, SCOTLAND, U. K.

Linen mills of Scotland were busy on Government orders throughout October. Raw materials were adequate.

Jute spinners were busy, and booked up for the next 2 or 3 months.

Both linen and jute mills were in need of additional workers.

Tobacco and Related Products

Canadian Tobacco Developments

Canada's total 1943 crop of flue-cured tobacco is estimated at 60,727,000 pounds, as compared with 74,000,000 pounds in 1942. Because of recent price increases, however, total revenue to be derived from this year's crop will exceed that of any previous year in the history of the industry. Net profits to growers, on the other hand, are expected to be less than at any time in the past because of high production costs.

For the first time in 2 years new members have been accepted into the Ontario Flue-Cured Tobacco Marketing Association, applications of 117 growers having been voted on favorably. All new members enter with the understanding that they accept acreage allotments as determined by the board of directors in 1937.

EXPORTS FROM TANGANYIKA

Exports of tobacco and manufactures from Tanganyika during 1942 came to 1,838,349 pounds, valued at £145,109, states an East African publication.

Figures on U. S. Trade With Latin America

General imports of merchandise into the United States from the 20 Latin American Republics exceeded total exports to them by \$371,000,000 during the 9-month period that ended with September 1943, according to the Bureau of the Census Department of Commerce. This compares with a net import balance of \$221,000,000 for the same period of 1942.

Significant import balances were noted for the 9-month period ended September 1943 in our trade with Cuba, Chile, Argentina, Brazil, Colombia, and Uruguay. United States exports to Panama and Venezuela exceeded imports from those countries during the same period.

Merchandise balances for the individual Latin American Republics continued generally to follow the trend of the first 6 months of 1943. Costa Rica, which changed from an import to an export balance, and the Dominican Republic, which changed from an export to an import balance, were the only exceptions.

Gold and silver import balances from Latin America recorded considerable decreases in the 9-month period that ended with September 1943 as compared with the corresponding period of 1942. Decreases were noted particularly for Mexico, Colombia, Peru, and Venezuela, with slight increases for Bolivia, Chile, and Ecuador.

The following tables show the January-September 1942 and 1943 balances of trade for both merchandise and gold and silver for the individual Latin American Republics:

Net Balance of Trade in Merchandise With Latin American Republics, January-September 1942-43

[Export balance (+), import balance (-)]

Country	9 months through September 1942	9 months through September 1943
Costa Rica.....	+\$657,000	+\$50,000
Guatemala.....	-7,630,000	-8,835,000
Honduras.....	-351,000	+1,036,000
Nicaragua.....	-1,210,000	+1,078,000
Panama, Republic of.....	+18,322,000	+22,025,000
El Salvador.....	-7,441,000	-9,168,000
Mexico.....	+18,597,000	-14,165,000
Cuba.....	-31,942,000	-103,631,000
Dominican Republic.....	-331,000	-330,000
Haiti.....	+347,000	-1,276,000
Argentina.....	-65,913,000	-73,330,000
Bolivia.....	-10,040,000	-8,316,000
Brazil.....	-51,627,000	-50,774,000
Chile.....	-61,826,000	-78,439,000
Colombia.....	-37,075,000	-42,702,000
Ecuador.....	+1,258,000	-2,518,000
Paraguay.....	-1,753,000	-1,554,000
Peru.....	+5,347,000	+4,253,000
Uruguay.....	-6,619,000	-27,373,000
Venezuela.....	+19,648,000	+20,967,000
Total.....	-221,581,000	-371,319,000

Net Balance of Trade in Merchandise and Gold and Silver With Latin American Republics, January-September 1942-43

[Export balance (+), import balance (-)]

Country	9 months through September 1942	9 months through September 1943
Costa Rica.....	+\$222,000	-\$143,000
Guatemala.....	-7,665,000	-8,669,000
Honduras.....	-1,735,000	+644,000
Nicaragua.....	-7,628,000	-4,801,000
Panama, Republic of.....	+18,318,000	+22,025,000
El Salvador.....	-8,693,000	-9,947,000
Mexico.....	-32,932,000	-19,631,000
Cuba.....	-31,926,000	-103,518,000
Dominican Republic.....	-513,000	-362,000
Haiti.....	+340,000	-1,276,000
Argentina.....	-66,096,000	-73,485,000
Bolivia.....	-10,135,000	-11,037,000
Brazil.....	-61,684,000	-50,774,000
Chile.....	-64,093,000	-82,469,000
Colombia.....	-47,725,000	-42,702,000
Ecuador.....	-819,000	-5,759,000
Paraguay.....	-1,753,000	-1,554,000
Peru.....	-5,528,000	-4,779,000
Uruguay.....	-6,620,000	-27,370,000
Venezuela.....	+16,453,000	+19,235,000
Total.....	-312,012,000	-404,372,000

Net Balance of Trade in Gold and Silver With Latin American Republics, January-September 1942-43

[Export balance (+), import balance (-)]

Country	9 months through September 1942	9 months through September 1943
Costa Rica.....	-\$435,000	-\$193,000
Guatemala.....	-35,000	-14,000
Honduras.....	1,354,000	-392,000
Nicaragua.....	-6,418,000	-5,879,000
Panama, Republic of.....	-5,000	+1,000
El Salvador.....	-1,162,000	-781,000
Mexico.....	-51,529,000	-5,466,000
Cuba.....	-16,000	+131,000
Dominican Republic.....	-182,000	-32,000
Haiti.....	-7,000	-----
Argentina.....	-183,000	-155,000
Bolivia.....	-95,000	-2,521,000
Brazil.....	+43,000	-----
Chile.....	-2,267,000	-4,030,000
Colombia.....	-10,650,000	-----
Ecuador.....	-2,077,000	-2,941,000
Paraguay.....	-----	-----
Peru.....	-11,375,000	-9,034,000
Uruguay.....	-1,000	+3,000
Venezuela.....	-3,195,000	-1,732,000
Total.....	-90,931,000	-33,053,000

**Foreign Trade—
American Way**

(Continued from p. 13)

establish and observe standards of conduct that recognize and respect the rights of others to follow in like pursuits.

To the extent that a free system of enterprise carries out its social function, to that extent does business receive its due rewards. And, to the extent that trade and commerce flourish, to that extent does democracy flourish. Commerce dies when men cease to have faith in each other.

To the foreign trader whose perspective is really wide-ranging, the anxieties arising out of wartime sacrifices become insignificant. And the very controls that breed many of today's qualms should sharpen our sight and deepen our appreciation of the benefits and advantages



Official OWI Photo

of trade under a system of free enterprise.

With this realization comes the need for a steady continuance of sober and discriminating judgment. We must accept the new responsibilities which are essential, now, to maintain the standards of our American way.

Activity Based on Confidence

Today, the Bureau of Foreign and Domestic Commerce is actively dealing with many phases of the problems that confront the foreign trader. As is the case with the exporter and importer, the Bureau's first concern is the prosecution of the war. And until victory is assured, it will not be free to resume its full peacetime functions. However, our experts and analysts are steadily acquiring knowledge and information that promises to be exceedingly valuable when the war is won. Our operations in conjunction with the war agencies have enabled us to maintain and (we believe) improve our material and our techniques.

Our sources of information, particularly the American Foreign Service, which has served us so well in the past, are functioning fully. And we are assured of their continued efforts to make our promotion of the American way of foreign trade as effective as possible.

The Bureau looks on post-war foreign trade with confidence. It is a confidence that springs primarily from the fact that foreign traders have carried on despite seemingly insurmountable difficulties; that the foreign-trading community recognizes its responsibilities in working for the common good of our free-enterprise system. It is a confidence based on the belief that the American people are determined that the post-war era shall mark the birth of a lasting world peace in which American foreign trade will be a dynamic force.

Trade Mark Applications

Brazil.—The following applications for trade-mark registration were published on dates indicated in the Official Gazette of Brazil. Opposition must be filed within 60 days from the date of publication:

Trade-mark	Class number and product	Date of publication
Quintan	No. 3—An anti-malarial preparation.	1943 Oct. 5
Tanoquina	do	Do.
Tokintan	do	Do.
Tantokin	do	Do.
Totankin	do	Do.
Tulpe	No. 36—Articles of clothing.	Do.
Assimilan	No. 3—Pharmaceutical product.	Do.
Cooper	No. 41—Preserved herring.	Do.
Show	No. 48—Perfumery.	Do.
Altona	No. 12—Metal goods not included in other classes.	Do.
Neolaxan	No. 3—Pharmaceutical product.	Do.
Lider	No. 7—Agricultural machinery.	Do.
Fortuna	No. 2—Chemical products.	Do.
Fertil	No. 2—Chemical products.	Do.
Goodskin	No. 48—Perfumery.	Do.
Cameo	No. 38—Cigarette paper.	Oct. 6
Photoplay	No. 1—Photographic films.	Do.
Glamour	No. 44—Tobacco.	Do.
Flay	No. 55	Do.
Hemin	No. 3—Pharmaceutical product.	Do.
Hepatohemin	do	Do.
Nelson	No. 11—Cutlery and edge tools.	Do.
Continental	No. 60—Cinematographic films.	Oct. 8
Monroe	No. 8—Precision and scientific instruments.	Do.
Bac-Lac	No. 3—Pharmaceutical product.	Do.
Yacht	No. 36—Articles of clothing.	Do.
America	No. 6—Machinery and tools.	Do.
Carmen de A. B. B.—S. Felix.	No. 44—Tobacco.	Do.
Lubrex	No. 4—Raw or partially prepared, mineral, vegetable and animal products, used in manufactures, and not included in other classes.	Do.
Kastoline	No. 47—Illuminating, heating, or lubricating oils and fuels.	Do.
Kastoline	No. 4—Vegetable oils.	Do.
Dextex Brasil	No. 4—Rock crystal.	Oct. 12
Jumbo	No. 1—Paints and varnishes.	Do.
Cromolina	No. 1—Chemical product used for tanning leather.	Do.
Jeep	No. 36—Articles of clothing.	Do.
Virosterona	No. 3—Pharmaceutical product.	Do.
Cholectropina	do	Do.
Florida	No. 55—Preparations for the preservation and polishing of furniture and floors, and metal cleaners.	Do.
Fox	No. 42—Fermented liquors and spirits.	Oct. 14
Citrolog	No. 3—Medicinal and pharmaceutical product.	Do.
Bio-Sulfa	do	Do.
Aminoides	do	Do.
Sulfamerazine	do	Oct. 16
Colonial	No. 48—Perfumery.	Do.
Styx	do	Oct. 15

Uruguay.—The following applications for trade-mark registration were published in the Diario Oficial of Montevideo, on the dates noted. Opposition

must be filed within 30 days from the date of publication:

Trade-mark	Product	Date of publication
Hepovite	Drugstore and chemical product.	1943 Nov. 8 to 13
Calferro-D	do	Do.
Zant	do	Do.
Olma	Jewelry, watches, clocks.	Do.
Ivy	do	Do.
Planet	do	Do.
Cologne Extra Dry	Perfumery and toilet.	Do.
Dan	Textiles, drygoods, ready-to-wears.	Do.
Victor	Scientific instruments.	Do.
Notari	Hardware and bazar, drugstore and chemical products.	Do.
Coptimox	Groceries and foodstuffs.	Do.
Rinso	Soap, candles, matches.	Do.
Radical	do	Do.

Chile.—The following applications for trade-mark registration were published in the Diario Oficial of Santiago. Opposition must be filed within 30 days from the date of publication:

Trade-mark	Class number and product	Date of publication
Thermador, Alrex Ventilador, Arex Ventilador, Friolite, Fluoresco, Fluorolux, Fluorolite.	No. 32—Heating, lighting and ventilating apparatus.	1943 Nov. 15
Progestin, Ictalbon, Carbietal, L. B. V., Slavazol, Urticaza, Estroglin Quimio Bras, Orofalax Quimio Bras, Neeroton Quimio Bras, Carobinase Quimio Bras, Krinos, Disco, Bromokal Laraze, Geldrox, Geldroxal, Algedrox, Vioryl, Geneyl, Novoxyl, Olauriol, Lindol, Filicin, Ditrinol, Ditolan, Ditolin, Nifedlin, Tonico Carnaval Veterinario, Risthal, Nervigenol Bender, Diurosan Febus, Pavo Tropin Febus, Atropaver Febus, Nervisedan Febus, Vitasulin Febus, Notatin, Isteron, Niebin, Tolfen, Etiron, Feniton, Enton, Mondaco, Kitadol.	No. 75—Chemical and pharmaceutical products.	Do.
American Milk Bar, American Express.	No. 81—Desk articles, printed matter but not periodicals.	Do.

Argentina.—The following applications for trade-mark registration were published in the Boletín Oficial of November 2, 1943. Opposition must be filed before December 6, 1943:

Trade-mark	Class No. and Commodity
Hindu	No. 3—Entire class.
Simplex	No. 1—Entire class.
Extra	No. 18—Entire class.

Skilled shoemakers operating in Rumania today number 800, with 600 helpers, reports the foreign press.

Flax Flares to New Prominence

(Continued from p. 11)

What of Uruguay?

Uruguay is an important producer of flaxseed, having exported 103,000 tons in 1940, but little flax has been grown on a commercial scale for textile uses. Some interest, however, has been shown in this fiber, in both Uruguay and Paraguay, and though no important developments have as yet been reported, a linen mill is in operation in Uruguay.

Processes of Production

Commercial fiber flax is an annual, attaining an average height of 42 inches. It is adaptable to various soil and climatic conditions—but extremes of heat and cold, and excessive rain or drought, seem to decrease the fiber quality. Finer grades of fiber result from placing the plants as close together as possible (consistent, of course, with adequate nourishment).

Harvesting must be done at exactly the proper time, and is usually performed by hand, though some machines have been developed. Uprooting the plants by hand adds somewhat to the fiber length, as even the root fibers can be utilized.

Fiber is found in the stem, between the bark and woody core, and is loosened by a retting process. The stems are placed in water, either out in the open in a dammed stream, or in tanks especially built for the purpose. In some sections of the globe, the stems are merely spread on the ground, where sun, rain, and dew combine to decompose the binding substances, so that the fiber can readily be separated from them. Only by long experience can a worker know with certainty when the retting process has reached the exactly correct stage of development. If under-retted, the extraneous materials adhere with close tenacity to the fibers, which may be damaged by their removal. If over-retted, the fibers, too, may be attacked by the retting (rotting) process, and become short and weak.

In the next step, called scutching, the retted and dried straw is passed through corrugated rolls or hammers, to break the pith and bark loose from the fiber. Here again, extreme skill must be exercised to remove all of the extraneous matter and still not injure the fiber in any way.

Skilled Operators Vital

As the quality of the fiber determines the price and resultant profit or loss, it can readily be seen how vital it is to have experienced and skilled operators. These are developed through years of practice, and few are available in the Americas. It may be some years, therefore, before fine-quality flax will be produced in the American continents in large quantities, although South America has already shipped some flax abroad which has been declared comparable to that produced in Europe.

At present there is little North American demand for fine-quality fiber, as factories in the United States do not possess the extremely expensive machinery and highly skilled operators for spinning fine linen yarns.

Flax's Chief Uses

High-grade linens of all types form the most valuable outlets for flax. Among other products are thread, fishlines, fishnets, twine, shoe laces, and parachute webbing and cord. All-linen rugs are also made from flax fiber, but the filling yarn may be made from tow.

Low- and medium-grade yarns for use in the production of cheaper-grade fabrics are usually spun from tow.

Our currency paper contains 75 percent linen, which accounts for its hardness or "snap," to say nothing of durability. Linen rags, however, are usually preferred to raw fiber for this purpose.

Arabia—

(Continued from p. 9)

rise on opposite sides of the same pass and form the chief lines of communication. Between the mountains and the sea, north of the mouth of Wadi Sema'il and the towns of Muscat and Matrah, lie 150 miles of fertile plain known as the Batinah. South of this, on the land side of the mountains, lies the district of Sharquiyah. Most of the settled population is found in the Sema'il valley, the Batinah and Sharquiyah districts, and Dhofar, along the southern coast of the boundary of Aden Protectorate. Irrigation is generally by camel-drawn buckets from wells in Batinah and Sharquiyah, and from flowing water in the wadis, carried in carefully constructed channels, either subterranean or above ground.

Date cultivation has been the major wealth of Oman, about 90 percent of the population being dependent on it, but, since the outbreak of war, exports have been seriously restricted. The increasing trade of the large fleet of dhows has helped to offset this, but undoubtedly the food-supply situation is a problem at times. While wheat, barley, maize, millet, sugarcane, and cotton are grown, rice, cereals, and textiles, with tea, coffee, and sugar, have been the major imports. The other major export is dried fish. Since this export has been chiefly to nearby India, from which rice is imported, the native dhow fleet is in a position to relieve the shipping shortage appreciably.

The district of Dhofar presents many unique features—coconut palms and cows, forested mountains and frank-

Latin American Exchange Rates

NOTE.—Averages are based on actual selling rates for sight drafts on New York, in units of foreign currency, per dollar with the following exception: Cuba—United States dollars to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to the dollar.

Country	Unit quoted	Type of exchange	Average rate			Latest available quotation		
			1941 (Annual)	1942 (Annual)	Sept. 1943 (Monthly)	Rate	Approximate equivalent in U. S. currency	Date, 1943
Argentina	Paper peso	Official A.	2.73	3.73	3.73	3.73	\$0.2681	Oct. 16
		Official B.	4.23	4.23	4.23	4.23	.2364	Do.
		Bid.	4.88	4.94	4.94	4.94	.2024	Do.
		Free market	4.24		4.00	4.00	.2500	Do.
Bolivia	Boliviano	Controlled	43.38	46.46	42.42	42.42	.0236	Nov. 16
		Curb	54.02	49.46	44.50	44.50	.0225	Do.
Brazil	Cruzeiro ¹	Official	16.50	16.50	16.50	16.50	.0606	Oct. 15
		Free market	19.72	19.64	19.63	19.63	.0509	Do.
Chile	Peso	Special free market	20.68	20.52	20.30	20.30	.0493	Do.
		Official	19.37	19.37	19.37	19.37	.0516	Oct. 30
		Export draft	25.00	25.00	25.00	25.00	.0400	Do.
		Curb market	31.78	31.75	31.70	31.80	.0314	Do.
		Free	31.15	31.13	31.00	31.00	.0323	Do.
		Gold exchange	31.15	31.13	31.00	31.00	.0323	Do.
		Mining dollar	31.35	31.13	31.00	31.00	.0323	Do.
		Agricultural dollar	31.15	31.13	31.00	31.00	.0323	Do.
Colombia	do	Controlled	1.75	1.75	1.75	1.75	.5714	Nov. 6
		Bank of Republic	1.76	1.76	1.76	1.76	.5682	Do.
		Stabilization Fund	(3)	(3)	(4)	(4)	.5714	Do.
		Curb	1.86	1.77	1.75	1.75	.5714	Do.
Costa Rica	Colon	Uncontrolled	5.85	5.71	5.63	5.65	.1770	Oct. 30
		Controlled	5.62	5.62	5.62	5.62	.1779	Do.
Cuba	Peso	Free	.98	1.00	1.00	1.00	1.00	Nov. 6
Ecuador	Sucre	Central Bank (official)	15.00	14.39	14.10	14.10	.0709	Sept. 30
Honduras	Lempira	Official	2.04	2.04	2.04	2.04	.4902	Do.
Mexico	Peso	Free	4.86	4.85	4.85	4.85	.2062	Nov. 9
Nicaragua	Cordoba	Official	5.00	5.00	5.00	5.00	.2000	Oct. 30
		Curb	5.93		5.24	5.25	.1887	Do.
Paraguay	Paper peso	Official		333.00	333.00	333.00	.0030	Oct. 30
Peru	Sol	Free	6.50	6.50	6.50	6.50	.1538	Do.
Salvador	Colon	do	2.50	2.50	2.50	2.50	.4000	Do.
Uruguay	Peso	Controlled	1.90	1.90	1.90	1.90	.5263	Do.
		Free	2.31	1.90	1.90	1.90	.5263	Do.
Venezuela	Bollvar	Controlled	3.25	3.35	3.35	3.35	.2985	Nov. 15
		Free	3.76	3.45	3.35	3.35	.2985	Do.

¹ Under law of October 6, 1942, the cruzeiro became the unit of currency, replacing the milreis. Since November 1, 1942, exchange quotations have been in terms of cruzeiros and centavos to the dollar.

² Established March 25.

³ For class 2 merchandise 1.795; class 3, 1.87; class 4, 1.195.

⁴ For class 2 merchandise, 1.765; class 3, 1.775; class 4, 1.735.

⁵ July 24–December 31.

NOTE.—Special rates apply to automotive equipment and agricultural machinery imported from the United States into Argentina.

incense groves, cave dwellers and hyenas. The people of the coastal plain are noticeably negroid, and the people of the mountains, living in caves and adhering to pagan cults, are thought by some to be remnants of an aboriginal race.

Trucial Oman and Qatar

North of Oman, along the coast of the Persian Gulf, lies the district formerly known as the Pirate Coast, but now as Trucial Oman, since its Sheiks have established a permanent truce with the British Government. The independent peninsula of Qatar juts into the Persian Gulf at the northern limit of this district. The population of this section is for the most part settled. The chief industry is pearl diving. Vegetables are grown in the interior by irrigation from wells. Cereals, dates, and piece goods have been the principal imports.

Kuweit

Above Trucial Oman, the eastern boundary of Saudi Arabia stretches for

500 miles along the coast. In the far northern corner lies the small Sultanate of Kuweit. This little land depends chiefly on its port, Kuweit Town, which is the center of trade for neighboring Bedouins. Fishing, pearl diving, and boat building are the local industries. Sulphur and oil concessions have been granted to a United States company.

Bahrein

Just north of the peninsula of Qatar lie the Bahrein Islands, ruled by an Arab sheik under a treaty with Great Britain. Before the discovery of oil the people of the islands were dependent on pearl diving and a little shipbuilding. Fresh water had to be hauled from the mainland. It was in drilling for water that Major Holmes tapped the great reservoir of oil under the islands. In 1932, \$50,000 worth of oil was realized, and the figure passed \$2,000,000 in 1941. Manamah, the port, also serves as an entrepôt for the neighboring mainland, with more than 50 percent of the imports being re-exported in 1938. With the development

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of the harbor at Ras Tanura by the oil company, this transshipment trade has probably decreased. Bahrain compares with Aden Colony in its cosmopolitan and metropolitan aspect.

Summary of Prospects

Although progress has been made in extending agriculture in many parts of the Arabian peninsula, in settling some of the nomads and in bringing a measure of peace and security to the land, the nature of the area is such that it can be no more than barely self-sufficient in food—if that. The hides and wool and butter derived from the scanty desert pasturage are in more generous supply than the cereals and fruits of the oases and villages. No one can say what the future income from the pilgrimages may be; under present conditions it has proved undependable. The pearl-diving industry, once thriving, has suffered from the competition of cultured and synthetic pearls. No complete survey has been made of the mineral resources; but aside from *petroleum* there is no present indication of mineral wealth.

The future prosperity of Arabia depends to a large extent on its oil deposits and the agricultural development made possible by revenue from oil. Undoubtedly the penetration of western influence will bring many changes to the ancient ways, but it is doubtful whether the resources of the land will supply even the present population with anything approximating the western standard of living.

Cuba Celebrates Thirteenth Anniversary of Air-Mail Service

With appropriate ceremonies, the Republic of Cuba celebrated, October 30, the thirteenth anniversary of the establishment of national air-mail service.

Compañía Nacional Cubana de Aviación (Cubana), Cuban affiliate of Pan American World Airways, inaugurated the first air-mail service in the island on October 30, 1930, one year after the company was founded, and has provided the 4,000,000 inhabitants of Cuba with uninterrupted mail, passenger, and express service since.

CNCA is one of the oldest aviation enterprises in the Western Hemisphere and enjoys the reputation of being one of the most efficient domestic air services in the world. Daily service is provided between all sections of the Republic, and connections are made to the United States, Mexico, Central and South America by the Clippers of Pan American Airways and its affiliates. Cubana planes fly 3,000 miles daily in serving 14 airports.

In 1942, by flying 3,778,359 passenger-miles and 953,962 plane-miles without accident, CNCA for the second consecutive year was awarded an annual aviation safety award from the Inter-American Safety Council, and set a 98.86 percent efficiency record. The only other Latin American air line to receive this award for 1942 was Compañía Mexicana de Aviación.

New Books and Reports

★ The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. *Please note:* The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Current Interest Appearing in the Department of State Bulletin November 20, 1943.

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., for the price of 10 cents each; subscription price, \$2.75 a year. The November 20 issue contains these articles:

ADDRESS BY THE SECRETARY OF STATE BEFORE CONGRESS REGARDING THE MOSCOW CONFERENCE.

ADDRESS BY JOSEPH C. GREW BEFORE THE HOLLAND SOCIETY OF NEW YORK.

THE PROCLAIMED LIST: CUMULATIVE SUPPLEMENT 2 TO REVISION VI.

ALIGNMENT OF THE NATIONS IN THE WAR.

AXIS AGAINST THE WORLD.

MESSAGE OF THE PRESIDENT TO THE CONGRESS ON UNITED STATES PARTICIPATION IN THE UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION.

TENTH ANNIVERSARY OF THE ESTABLISHMENT OF DIPLOMATIC RELATIONS WITH THE SOVIET UNION.

PUBLICATION OF "FOREIGN RELATIONS OF THE UNITED STATES, JAPAN: 1931-1941," VOLUME I.

Other Publications

YOUR BUSINESS AFTER THE WAR. The Research Institute of America, Inc. 1943. Research Institute Analysis 31. 61 pp. Price, \$1 to institute members; \$2 to non-members. Outlines preparations and adjustments which individual businesses can make now to ease conditions that will have to be faced after the war. Examines three definite areas of post-war planning: The period until the end of war with Germany; the interval between Germany's defeat and victory over Japan; and the beginning of the peacetime era. Includes a post-war timetable in color, charting the specific steps that should be taken in planning for each period.

Available from: The Research Institute of America, Inc., 292 Madison Avenue, New York 17, N. Y.

GEOGRAPHY FOR THE BUSINESSMAN. Eugene Van Cleef. 1943. 256 pp. Price, \$2.75. Shows how modern geographical

knowledge, with special emphasis on economic and commercial divisions, can apply to the improvement of business. Maps, markets, material resources, climate and weather, communications, international boundaries, and other factors, are discussed as they relate to specific problems of advertising, retail selling, construction, farming, price control, international trade, and so on.

Available from: Harper & Bros., 49 East 33d Street, New York, N. Y.

LATIN AMERICA AND THE UNITED STATES (FOURTH EDITION). Graham H. Stuart. 1943. 517 pp. Price, \$5. A brief survey of our diplomatic and commercial relations with those Latin American countries whose interests have been most closely associated with those of the United States. In this new edition are mentioned many of the changes which have resulted from the Good Neighbor Policy and the entry of Western Hemisphere nations into the war. Some space is devoted also to Nazi subversive activities in these countries.

Available from: D. Appleton-Century Co., Inc., 35 West 32d Street, New York 1, N. Y.

THE DISPLACEMENT OF POPULATION IN EUROPE. Eugene M. Kulischer. 1943. Studies and Reports Series O (Migration) No. 8. 175 pp. Price \$1. A study aimed toward showing the nature and magnitude of the problems that have been brought about by the upheaval of the populations of Europe as a result of the war, and which will confront the world after victory. Demonstrates that satisfactory solution of these problems must be based on close international cooperation.

Available from: International Labour Office, 734 Jackson Place, Washington, D. C.

TRANSPORTATION: WAR AND POSTWAR. G. Lloyd Wilson (ed.). 1943. The Annals, November 1943. 265 pp. Price, \$2. A compilation of papers by business executives, trade-association leaders, economists, lawyers, public servants, and others, presenting their views on the war and post-war problems of transportation. Considers three distinct phases. The first deals chiefly with the role of various transport agencies—railroad, railway express, water, highway, and air. The second discusses the transport problems of Great Britain, Canada, and the Soviet Union—both war and post-war. The third presents some of the many problems which now appear as post-war questions of great importance.

Available from: The American Academy of Political and Social Science, 3457 Walnut Street, Philadelphia 4, Pa.

Correction: "Dutch Moratorium Action"

In the item under the above heading on page 35 of the November 6 issue of FOREIGN COMMERCE WEEKLY, the moratorium mentioned should not have been described as an action by "the Netherlands Government in Exile"; it was actually an act of the German-controlled regime in occupied Holland.

U. S. Export Control and Related Announcements

Developments communicated to the Trade Controls Unit up to Tuesday, November 30, 1943:

No. 501—Current Export Bulletin No. 134.

The Office of Exports has issued Current Export Bulletin No. 134 on the following subjects:

I. Exports to Cuba.

A number of revisions have been made in the operation of the Decentralization Plan as it affects exportations to Cuba (Comprehensive Export Schedule No. 12, pp. 121-122).

A. EXPORTATIONS UNDER GENERAL LICENSE

Effective immediately, the following commodities are exportable under general license to Cuba. Import recommendations will no longer be required for the exportation of these commodities:

Commodity	Department of Commerce schedule B No.	General license group, old	General license group, new	Effective date of change
NAVAL STORES				
Gum spirits of turpentine.....	2114.00	K minus 3	K	Immediately.
Gum rosin.....	2110.00	K minus 3	K	Do.
Wood rosin.....	2111.00	K minus 3	K	Do.
Tar and pitch of wood (include "B wood rosin").....	2118.00	K minus 3	K	Do.
Other terpene hydrocarbons derived from naval stores.....	2116.10	K minus 3	K	Do.
Wood turpentine (include sulphate wood turpentine).....	2116.10	K minus 3	K	Do.

In Current Export Bulletin No. 125 (Announcement 492 in FOREIGN COMMERCE WEEKLY for October 9), the following commodities were placed under general license to Group K countries and no longer require import recommendations:

Commodity	Schedule B No.
Caustic soda (sodium hydroxide)....	8373.00
Paper, related products and manufactures:	
Fiber insulation board.....	4736.00
Wall board of paper or pulp.....	4738.00
Soda ash (sodium carbonate).....	8365.00

RAYON YARN

Effective January 1, 1944, export license applications for rayon yarn, single and plied, Schedule B No. 3840.07 must be accompanied by import recommendations.

C. CLARIFICATION OF CMP CLASS B PRODUCT PROVISIONS

The Decentralization Plan, as operative for Cuba, provided that import recommendations would not be required for exportations of CMP class B products included in the classification of aluminum, copper and copper base alloys, and iron and steel, identified by an asterisk on pages 121 and 122 of the Comprehensive Export Schedule No. 12. For clarifications of this provision exporters should note the following:

ALUMINUM

There are no CMP class B products included under Schedule B Nos. 6300.00-6308.50. Import recommendations are required for all exportations to Cuba.

COPPER AND COPPER BASE ALLOYS

No import recommendations need be submitted with license applications for exportation of the following CMP class B products included in these classifications:

Commodity	Schedule B No.
Copper valves or valve bodies, including gate, globe, angle, and check valves, size 4 inch or larger.....	6439.07
Other copper manufactures (include perforated copper sheets)....	6439.98
Pipe fittings.....	6454.30

Brass and bronze pipe valves, including gate, globe, angle, and check valves, size 4 inch or larger.....	6454.57
Other brass and bronze pipe valves or valve bodies.....	6454.58
Plumbers' brass goods.....	6456.00
Bronze welding rods, only.....	6457.00
Brass wood screws.....	6458.00
Hinges and butts of brass or bronze.....	6465.00
Other hardware of brass or bronze.....	6469.00
Brass and bronze bushings.....	6479.01
Brass and bronze window strips.....	6479.07
Brass and bronze stampings.....	6479.11
Brass and bronze angles.....	6479.15
Brass and bronze channels.....	6479.17
Brass and bronze circles.....	6479.19
Other brass and bronze manufactures (include perforated brass and bronze sheets).....	6479.98

IRON AND STEEL

Import recommendations are not required for exportations of the following class B products included in the iron and steel classification:

Commodity	Schedule B No.
Metal lath.....	6048.00
All steel pipe fittings, n.e.s.....	6077.98
Woven wire screen cloth, insect.....	6086.10
Woven wire screen cloth, other.....	6086.90
Electric welding rods and wire.....	6088.00
Welding rods and wire or iron and steel, other than electric.....	6091.03
Tacks, shoe, made from tack plate or wire, and all other tacks made from tack plate.....	6094.00
Other nails and staples, excluding fence staples.....	6095.00
Bolts, machine screws, nuts, rivets and washers, excluding railroad.....	6099.00
Grinding balls.....	6107.01

*Note: Effective Jan. 1, 1944, Import Recommendations must accompany license applications for the exportation of the tacks and other nails and staples specifically shown above, classified under Schedule B Nos. 6094.00 and 6095.00.

II. General License Designations.

For the convenience of exporters filling out export declarations for shipments to be

made under general license, the Office of Exports has now assigned general license symbols to several special general licenses under which such exportations may be made, and which have not had such symbols previously. These symbols and designations are as follows:

General License for personal baggage.....	Baggage.
General license for reexportation to Mexico of repaired machinery.....	G-MEX.
General license for exportation of commodities to Republic of Panama for processing, repairs, etc., and return to Canal Zone.....	G-PAN.
General license for ship stores and bunker fuel.....	Ship stores.
General license for plane stores and fuel.....	Plane stores.
General license for exportation of metal drums and containers.....	G-MDC.

III. Program License Authorizing Exportations to French Guiana.

A. THE PROGRAM

A program license will be issued to the French Colonial Mission authorizing the exportation to French Guiana of specific kinds and quantities of commodities for specific end uses. Therefore, after December 31, 1943, no applications for individual licenses should be filed for these destinations (this provision does not apply to licenses for ship stores and bunker fuel and for technical data). Clearance of exportations of commodities to French Guiana under this license will be authorized by the issuance of release certificates by the Office of Exports, Foreign Economic Administration. (See Comprehensive Export Schedule No. 12, p. 92, for the general provisions and information pertaining to program licenses.)

B. GENERAL LICENSES CONTINUED

All general licenses under which exportations may be made to French Guiana will continue in effect.

C. INDIVIDUAL LICENSES

All valid outstanding individual licenses for export to this destination will remain valid until their original expiration date.

D. EXPORTATIONS UNDER PROGRAM LICENSE

1. The Foreign Economic Administration will act as the certifying agency issuing release certificates for all exportations to French Guiana. Release certificates will remain valid for 1 year from the date of issuance. All individual license applications pending on January 1, 1944, will be considered by the Foreign Economic Administration as applications for release certificate under the program license. Applications for release certificates shall be made on Form BEW 119, using the same number of copies as are used in applying for an individual export license. Acknowledgment cards (BEW 116) should also be filled out and submitted with the release certificate applications. Inquiries concerning the status of release certificate applications should be addressed to the Office of Exports, Office of Economic Warfare, Foreign Economic Administration, Washington 25, D. C.

2. The French Colonial Mission will examine all release certificate applications before they are certified by the Office of Exports; for convenience, therefore, such applications should be sent directly to the French Colonial Mission at 626 Fifth Avenue, New York, 20, N. Y.

3. No exportation may be made under this program license with the knowledge or intention that the commodities covered thereby are to be reexported from French Guiana unless the reexportation has been authorized by the Office of Exports.

E. APPEALS

1. An exporter whose application for a release certificate or for an extension thereof has been rejected, or whose release certificate has been revoked, may file an appeal from such rejection or revocation with the Office of Exports, Office of Economic Warfare, Foreign Economic Administration, Washington 25, D. C.

2. In filing an appeal, the same procedure shall be followed as is presently in effect for appealing a rejected license application. (See Comprehensive Export Schedule No. 12.)

IV. PD-600 Applications for Drugs.

A reduction in paper work has been made possible for drug exporters as a result of arrangements consummated between the War Production Board and the Foreign Economic Administration. Effective immediately, drug exporters may file with the Foreign Economic Administration one PD-600 (WFB Form 2945) each month for those drugs subject to War Production Board Orders administered by the Drugs and Cosmetics Section of the War Production Board. This form should be submitted to the Foreign Economic Administration by the 10th of the month and on it should be listed all drugs for which the exporter received approved licenses subsequent to the submission of the PD-600 for the previous month. The Foreign Economic Administration will forward this form to the War Production Board on or before the 20th of the month. A separate PD-600 will be required from each drug exporter for all drugs being exported during the period and coming within the listing of the separate War Production Board drug orders. The above arrangements modifies the requirement as described in Comprehensive Export Schedule No. 12, page 116, paragraph D.

For those drugs and chemicals under allocation and for which exporters are not required to file PD-600, but where deliveries are controlled by suppliers' shipping schedules on PD-602 (WFB Form 2947), only the filing of a use certificate with the supplier will be required for each export, in compliance with War Production Board regulations. This use certificate should include all the information necessary to identify it as an approved export. Use certificates will be filed following issuance of the export license for a commodity requiring the use certificate, and should accompany the exporter's order to the supplier.

V. Program License Authorizing Exportations to Greenland.

A. THE PROGRAM

Effective January 1, 1944, a program license will be issued to the Danish Consulate General, Greenland Section, New York City, N. Y., authorizing the exportation to Greenland of specific kinds and quantities of commodities for specific end uses. Therefore, after December 31, 1943, no applications should be made for individual licenses to this destination. (This provision does not apply to

VI. Changes in General License.

Commodity	Department of Commerce schedule B No.	General license group, old	General license group, new	Effective date of change
ELECTRICAL MACHINERY AND APPARATUS				
Batteries, dry, multiple cell (report flashlight batteries under Schedule B No. 7016.00).	7017.00			
Batteries, dry, multiple cell for hearing aids.	7017.00	62	K	Immediately.
Batteries, dry, multiple cell, other.	7017.00	62	62	
BEVERAGES				
Rum.	1714.00	K	None	Dec. 2, 1943.
Whiskey.	1716.00	K	None	Dec. 2, 1943.
Other distilled liquors and compounds containing spirits (include brandy, gin, cordials, liquors, and bitters) (report alcohols in 8310.00-8315.98).	1719.00	K	None	Dec. 2, 1943.

Shipments of the above commodities which are on dock, on lighter laden aboard the exporting carrier or in transit to a port of exit pursuant to an actual order for export

licenses issued for ship stores and bunker fuel and licenses for technical data.) Clearance of exportations of commodities to Greenland under this license will be authorized by the issuance of release certificates by the Office of Exports, Office of Economic Warfare, Foreign Economic Administration. (See Comprehensive Export Schedule No. 12, pp. 92-93, for the general provisions and information pertaining to program licenses.)

B. GENERAL LICENSES CONTINUED

All general licenses authorizing the exportation of commodities to Greenland will continue in effect.

C. INDIVIDUAL LICENSES

All individual license applications pending on January 1, 1944, will be considered by the Foreign Economic Administration as applications for release certificates under the program license. All individual licenses outstanding as of the effective date of this program will remain valid until their original expiration date.

D. EXPORTATIONS UNDER PROGRAM LICENSE

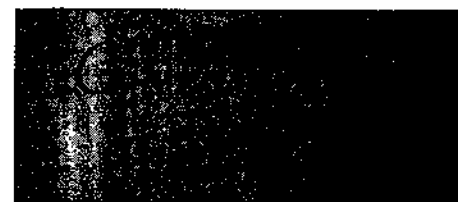
1. The Foreign Economic Administration will act as the certifying agency issuing release certificates for all exportations to Greenland. Release certificates will remain valid for 1 year from the date of issuance. Applications for release certificates shall be made on Form BEW 119 using the same number of copies as are used in applying for an individual export license. Acknowledgment cards (BEW 116) should also be filled out and submitted with the release certificate applications. Inquiries concerning the status of release certificate applications should be addressed to the Office of Exports, Office of Economic Warfare, Foreign Economic Administration, Washington 25, D. C.

2. The Danish Consulate General, Greenland Section, will examine all release certificate applications before they are certified by the Office of Exports; for convenience, therefore, such applications should be sent directly to the Danish Consulate General, Greenland Section, 17 Battery Place, New York 4, N. Y.

3. No exportation may be made under this program license with the knowledge or intention that the commodities covered thereby are to be reexported from Greenland unless the reexportation has been authorized by the Office of Exports, Foreign Economic Administration.

E. APPEALS

An exporter whose application for a release certificate or for an extension thereof has been rejected, or whose release certificate has been revoked, may file an appeal from such rejection or revocation with the Office of Exports, Office of Economic Warfare, Foreign Economic Administration, Washington 25, D. C. In filing an appeal, the same procedure shall be followed as is presently in effect for appealing a rejected license application. (See Comprehensive Export Schedule No. 12.)



Mary A. Neilan ("Arabia").—See the August 7, 1943, issue of FOREIGN COMMERCE WEEKLY.

Grant Olson ("Sweden's Aerial Cableways").—See the August 7, 1943, issue of this magazine.

E. E. Schnellbacher ("Foreign Trade—American Way").—See the June 5, 1943, issue.

Margaret Wambsganss ("Flax Flares to New Prominence").—See the April 24, 1943, issue.

change pursuant to ODT permits issued prior to such date may also be exported under the previous general license provisions.

VII. Ship Food Stores—Correction.

The conversion factor "4" for dried fruit (indicating 1 pound of dried fruit is equivalent to 4 pounds of fresh fruits) was omitted by printer's error from Current Export Bulletin No. 133, Subject IV, page 5, line 5 (Announcement 500 in FOREIGN COMMERCE WEEKLY for November 27).

New printings of forms will bear FEA form numbers. Forms presently in use now bear BEW and OEI form numbers and will continue in use until present supplies are exhausted. References in the Current Export Bulletin apply to existing forms.

Current Export Bulletins are issued by the Office of Exports for the guidance of all concerned with export regulations and interpretations. The Bulletins supplement the Comprehensive Export Schedules. Copies of the Comprehensive Export Schedules may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., at a cost of 20 cents per copy or \$1 for six issues.

Clove and Stem Oil From Zanzibar

Zanzibar, in British East Africa, exported 450,143 pounds of clove and stem oil valued at £116,934 in 1942, states a recent official publication.

During that period, the cloves and the clove and stem oil industry accounted for more than three-fourths of Zanzibar's total exports of domestically produced commodities.

Kok-Saghyz in Bessarabia

The Government of Rumania has set aside 10,000,000 lei to extend the cultivation of kok-saghyz, a rubber-bearing plant, in Bessarabia and Bucovina, according to information from Istanbul. The area to be cultivated is not known; but, in 1942, 180 hectares were planted—a hectare growing about 2,500 kilograms of roots which yield about 150 kilograms of latex.

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December II, 1943

AT THE CALLAO CUSTOMHOUSE—
GATEWAY TO PROGRESSIVE PERU



Foreign Commerce Weekly

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Issued by the UNITED STATES DEPARTMENT OF COMMERCE, JESSE H. JONES, Secretary

THIS WEEK

Domestic Prosperity and Foreign Trade.....	3
Peru, an Expanding Chemical Market.....	5
Aviation in Chile.....	8

DEPARTMENT OF COMMERCE

FIELD SERVICE

Atlanta 8, Ga., 603 Rhodes Bldg.
 Boston 9, Mass., 1800 Customhouse.
 Buffalo 3, N. Y., 242 Federal Bldg.
 Charleston 3, S. C., Chamber of Commerce Bldg.
 Chicago 4, Ill., 357 U. S. Courthouse.
 Cincinnati 2, Ohio, Chamber of Commerce.
 Cleveland 14, Ohio, 750 Union Commerce Bldg.
 Dallas 2, Tex., Chamber of Commerce Bldg.
 Denver 2, Colo., 566 Customhouse.
 Detroit 26, Mich., 371 New Federal Bldg.
 Houston 14, Tex., 603 Federal Office Bldg.
 Jacksonville 1, Fla., 425 Federal Bldg.
 Kansas City 6, Mo., 724 Dwight Bldg.
 Los Angeles 12, Calif., 1540 U. S. Post Office and Courthouse.
 Memphis 3, Tenn., 229 Federal Bldg.
 Minneapolis 1, Minn., 201 Federal Bldg.
 New Orleans 12, La., 508 Maritime Bldg.
 New York 18, N. Y., Room 1950, 500 Fifth Ave.
 Philadelphia 2, Pa., 1510 Chestnut Street.
 Pittsburgh 19, Pa., 1013 New Federal Bldg.
 Portland 4, Oreg., Room 313, 520 S.W. Morrison St.
 Richmond 19, Va., Room 2, Mezzanine, 801 E. Broad St.
 St. Louis 1, Mo., 107 New Federal Bldg.
 San Francisco 11, Calif., 307 Customhouse.
 Savannah, Ga., 403 U. S. Post Office and Courthouse Bldg.
 Seattle 4, Wash., 809 Federal Office Bldg.

News by COUNTRIES

Argentina.....	10	El Salvador.....	16
Belgian Congo and Ruanda-Urundi.....	12	France.....	17
Bolivia.....	13	French North Africa.....	17
British West Indies.....	13	Gambia.....	17
Bulgaria.....	13	India.....	18
Canada.....	13	Mexico.....	18
Ceylon.....	14	Nicaragua.....	18
Chile.....	14	Paraguay.....	19
Colombia.....	14	Peru.....	19
Costa Rica.....	15	Southern Rhodesia.....	19
Cuba.....	16	Sweden.....	19
Ecuador.....	16	Switzerland.....	19
Erie.....	16	United Kingdom.....	33

News by COMMODITIES

Chemicals.....	20	Medicinals and Crude Drugs.....	26
Coal, Coke, and Charcoal.....	21	Metals and Minerals.....	26
Construction.....	21	Motion Pictures and Equipment.....	27
Electrical Machinery and Equipment.....	21	Oils.....	27
Foodstuffs and Allied Products.....	22	Paper and Related Products.....	27
Glass and Products.....	24	Petroleum and Products.....	27
Iron and Steel.....	24	Rubber and Products.....	28
Leather and Related Products.....	24	Soaps.....	28
Lumber and Products.....	25	Telephone and Telegraph.....	28
Machinery, Other than Electrical.....	26	Textiles and Related Products.....	28

REGULAR DEPARTMENTS

United States Export Control and Related Announcements.....	31	Pertinent Comments on World Economy Today.....	11
Trade-Mark Applications.....	30	Contributor's Column.....	35
New Books and Reports.....	30		

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Domestic Prosperity and Foreign Trade

Are They Entirely Distinct Factors? Can They Be Viewed Separately, and Dealt With Apart From One Another? On the Contrary, They Are Most Closely Related and Inter-Acting, Says Director of Bureau

IF ONE WERE ASKED to state our war aims, in as simple terms as possible, he would probably say that what we all want is the assurance of a decent world to live in—a world in which the individual can continue to live his own life with such degree of freedom as is consistent with the rights and freedom of his neighbor. We want to live in a world in which the individual may pursue his own way of making an honest living without depriving his neighbor of doing the same.

There are, of course, obvious dangers in an over-simplified definition of what we hope to achieve through a successful conclusion of the war. Over-simplified statements often develop into a mere play on words. American foreign policy has at times been defined, to certain people's complete satisfaction, in terms of a simple phrase: "Let's mind our own business and not meddle in the affairs of the rest of the world." The appeal of such a phrase to the unthinking lies in the fact that it suggests, as the only alternative policy to one of complete isolation, that of meddling in the affairs of other nations. The truth of the matter is that the fellow who would discuss the deadly serious subject of international affairs on the basis of a trick phrase is simply putting himself in the position of the prosecutor who asked the defendant whether he had quit beating his mother-in-law and demanded a "Yes" or "No" answer.

Trade a Salutary Influence

The practice of making a living (or the art of making a living, if you wish) and the development of sound international policy are concretely combined in the field of foreign trade. There is nothing mysterious about foreign trade. Some nations are dependent upon international commerce as the source of a comparatively large proportion of their national income; none are completely independent of export and import markets. Just because two adjoining communities constitute separate political entities does not mean that business transactions which convey mutual benefits across a common frontier need carry with them

By AMOS E. TAYLOR, *Director of the Bureau of Foreign and Domestic Commerce*¹

the seeds of either suspicion or interference. The large volume of trade normally crossing the United States-Canadian frontier is ample evidence of such a healthy flow of commerce.

It is a significant fact that the danger of international misunderstanding and conflict, insofar as they have an economic origin, has invariably been less at a time when the volume of international trade was high than when it fell to abnormally low levels. The restrictive measures of almost universal application during the thirties were a more or less direct consequence of the combined deflationary effect of falling prices and the drop in the actual physical volume of international trade.

The purely protective and nationalistic measures originating from such conditions can hardly ever be viewed as welcome signs by anyone. At such time it is not only those engaged in foreign trade who suffer. Restrictive measures reflect in most cases a crisis in the domestic economy, uncertainty over the immediate future, a drop in business inventories, a decline in imports, a drop in the volume of domestic buying power available to foreigners, a shrinkage in exports. The cycle is complete, but its vicious recurring spiral may have just begun.

Vital Relationships

Our foreign trade is often thought of as something entirely distinct from domestic trade. In a superficial sense this is true. Since two currencies are in effect involved in all international transactions, it is to be expected that the machinery of settlement should differ somewhat from the methods used in domestic transactions. Special market problems

¹ This article reproduces Dr. Taylor's recent address at a meeting of the New England Export Club at Boston, Mass.

are involved in the promotion of trade abroad. Transportation, packing, and insurance involve various kinds of specialized knowledge. Conditions under which business may be conducted in particular foreign countries require special study. The tariff policies and customs procedure of foreign countries are but part of a mass of special technical knowledge which the foreign trader must have on hand. Special care must be exercised in the selection of sales representatives in order to assure against offending foreigners whose standards of living, religious and social customs, and general modes of life are different from our own.

In a more fundamental sense it is highly erroneous, however, to think of domestic and foreign trade as unrelated. Any effort to appraise the potentialities of foreign markets without reference to domestic output and domestic buying power is almost certain to force eventual revisions in market estimates, with all the attendant complications. The level of domestic production, the level of employment, and the volume of international trade are *all parts of a common pattern*. It is not an exaggeration to say that the first concern of the foreign trader should be the buying power of the people at home. A prosperous domestic market is the most important factor in the generation of foreign buying power for our own goods.

Whole Structure Affected

It is equally true that the businessman who sells primarily in domestic markets cannot afford to minimize the importance of foreign trade despite the fact that in the United States we normally export only 8 or 9 percent of our national commodity output. The importance of foreign markets to particular segments of the national economy is so great that inability to sell abroad would be certain to affect the prosperity and buying power of the population as a whole.

The economic history of the United States demonstrates clearly that the volume of imports is very sensitive to changes in business activity. For ex-

ample, the sharp recession in business 2 years after the first World War was accompanied by a sharp decline in commodity imports. With the rise in business in 1921 imports rose, and the dollars supplied thereby to foreign account became an important factor in the stimulation of exports.

If such a relationship between domestic activity and foreign trade is to be sustained it follows, of course, that the conditions of trade must be such that goods can move. Commercial policies consistent with the country's creditor-debtor status, as well as stable exchange rates, are essential to the reconstruction of world trade and to the international exchange of goods in large volume. In the final analysis, however, we need to remember that production and buying power are opposite sides of the same disk and that a high level of output and national income in this country is fundamental to a large inflow and outflow of goods in our foreign trade.

Tremendous Problems

I doubt whether at any other time it has been so important to take into account this basic fact as it is today. The problem of reconversion to peacetime production after the present war will be tremendous. To what extent the problem may be eased by a termination of the war in Europe some months ahead of that in the Far East, it is difficult to say. At any rate, not all the elements essential to a healthy foreign trade will be at once present once hostilities have ceased. Relief and rehabilitation will no doubt make very great demands upon us, but several immediate difficulties will arise if rapid and effective reconversion does not provide the basis for our meeting those demands.

The first of these difficulties is the danger of inflation. The accumulation of domestic savings and buying power, the substantial volume of dollar balances accumulated by Latin American and other foreign countries, and the demands of relief agencies for varied and exigent purposes in many foreign areas constitute a buying potential for peacetime goods which, if not controlled, may give rise to a really serious inflation threat. This danger can be mitigated, of course, if adequate control over the flood of spending power can be synchronized with an immediate shift to peacetime production in very large volume.

A second difficulty might confront our export trade in its effort to develop and maintain a strong competitive position in the post-war world markets. Any inability to meet the needs of foreign markets because of temporary bottlenecks in our peacetime productive machinery could readily become a matter of some concern to our exporting industries at a critical time.

Degrees of Sensitivity

From a somewhat longer-range viewpoint there is a third reason why rapid reconversion and high output are matters of considerable concern to those

engaged in export trade. Since, in the final analysis, the supply of dollars available to foreign buyers must be derived from our purchases abroad it follows that the dollar payments for imports have a more or less direct influence on the foreign demand for our own goods. The period from 1919 to 1939 was in general one of expanding activity in the United States as well as one during which statistics on industrial production and national income were developed to a high degree of accuracy. The figures show that during these two decades the trend of physical production and that of imports measured at constant prices were very closely related.

In the United States the high degree of sensitivity of imports to industrial production is influenced, of course, by the fact that our imports consist largely of primary products including many basic raw materials of industry. In periods of prosperity purchases are thus high, whereas in depression they tend to decline. Because of speculative influence in primary markets and wide shifts in inventories, the synchronization on a short-run basis is necessarily not as close as on a longer-run basis.

"Invisible" Items

It is well at this point that attention be called to "exports" and "imports" in a broader sense. The United States has a substantial volume of "invisible" exports and imports. In their bearing on the post-war prospects for foreign trade they are of substantial importance. In the past we have normally bought more services than we sold. To the extent that this holds true in the future our exporting industries should benefit. Here again the level of our domestic prosperity and our national income become important. Our expenditures for travel abroad have, as might be expected, always tended to move up or down according to the trend in our national income. In our more prosperous years the people of this country have spent upwards of \$175,000,000 for travel in Canada alone. This amount was, of course, partly offset by what Canadians spent for travel in this country, but it is hardly incorrect to say that the volume of our travel outlays in Canada has had a considerable direct and indirect influence on the sales of our merchandise to Canada.

Creditor Role

Since the first World War the United States has been a creditor nation. A creditor nation, in effect, has the rest of the world working for it. In contrast with the satisfaction derived by the average individual from such a happy position, the United States has not always enjoyed its creditor role very well. As a net creditor we naturally have a special stake in the prosperity of the rest of the world. The more prosperous the outside world, the more likely that dividends will be forthcoming on our industrial investments abroad and that interest on foreign bonds held in this country will be paid. At the same time a world which is generally prosperous will have its pros-

perity reflected in a high volume of international trade, and the transfer of funds through the exchanges will present fewer difficulties.

Unprecedented Economic Power

The United States will emerge from this war with an enormously expanded industrial and agricultural capacity. The balance of economic power will have passed to this country to a degree never experienced before. The country will be confronted with correspondingly difficult problems of readjustment to peacetime conditions. A healthy and continuing demand for American goods will greatly facilitate these readjustments, minimize the dangers of economic distress, and assist in the maintenance of production and national income at high levels. These demands will probably weigh most heavily in machinery, machine tools, automotive products, aircraft, and similar finished products.

Inescapable Corollaries

In view of the country's capacity for accumulating savings, on the assumption of full production, it may be expected that investment abroad will be a necessary corollary. Foreign investment and trade are interdependent. Each supports the other. Foreign credits and investment which develop from the initiative and ability of private enterprise have the advantage of being closely related to economic development in the debtor country. This type of financial aid also has the advantage of being less of a burden on the international exchanges than fixed-return investment, since the returns do not tend to run counter to the foreign-exchange position of the capital-importing country. On the whole this type of investment has weathered the economic storms of the past better than those subject to fixed debt charges. Moreover, they have contributed more directly to industrial development.

Our post-war problems of reconversion, employment, and foreign trade are closely interrelated. Private business and Government have to share the responsibility for determining where we shall be going and by what route we shall travel. In its recent study, "Markets After the War," the Department of Commerce has suggested the possible post-war production goals and the participation by each type of industry on the basis of the relative importance of each over a number of years. As a result of recent developments in the fields of technology and marketing, the demands for particular types of products will certainly be bound to deviate far from their relative pre-war positions. Such cases require further study.

New Peacetime Highs?

Should the maximum goals of productive activity be met, the effect upon our export and import trade should bring correspondingly good results. On these assumptions we can expect that both

(Continued on p. 29)

Peru, an Expanding CHEMICAL Market

PERU AT PRESENT is largely a chemical-importing and consuming country. Industrialization of the country has been progressing during the last 20 years, at first somewhat slowly but at a more accelerated pace during the last 5 years. Expansion of manufacturing facilities has been, for the most part, in the chemical-consuming industries, especially textiles, foodstuffs, tanning, and leather; chemical requirements, therefore, have increased greatly, and the value of imports rose to \$9,600,000 in 1942. Possibilities of producing chemicals locally exist, since Peru does have valuable resources, and the need for a basic chemical industry is imperative.

Industries Needing Chemicals

Since Peru is predominantly an agricultural and mining country, the chemical market has been dependent, for its sales, on those branches of activity. Cotton cultivation, one of the mainstays of Peruvian economy for years, requires large amounts of insecticides to combat the boll-weevil and other plagues, and Peru was one of the first countries to do its spraying of cotton fields from airplanes. Sugarcane and raw sugar, wheat, and rice are other leading agricultural products. The important livestock industry, with its cattle, sheep, and swine, needs various veterinary preparations, vaccines, medicinals, dips, and tick eradicators, and this branch of the chemical industry was one of the first to be developed in Peru.

The mineral industry, whose principal products—copper, lead, zinc, silver, vanadium, and petroleum—have contributed so much to the war effort, uses considerable amounts of explosives, flotation agents, and other chemicals which are imported, primarily from the United States. More than \$500,000 worth (2,900,000 pounds) of explosives alone were consumed in the mines of Peru during 1939.

Salt, the basic commodity for many chemicals, is available locally, but the industry is a monopoly under the Estanco de la Sal of the Caja de Depósitos y Consignaciones, a Government organization. More than 42,000 metric tons were produced in 1939, but only 6 percent was used for industrial purposes. The salt comes from "salares" along the coast and from beds of rock salt in the Departments of Cuzco, Apurímac, Ayacucho, Puno, and Huancavelica, which deposits yield about 40 percent of the total output.

By C. C. CONCANNON and A. H. SWIFT, *Chemical Unit, Bureau of Foreign and Domestic Commerce*

Despite these rich resources, the purchasing power of the 7,000,000 inhabitants has remained low. To help remedy this and in line with the general worldwide trend toward self-sufficiency and nationalization, the Peruvian Government has taken vigorous steps to diversify its economy, raise the standard of living, and improve conditions generally.

According to the official 1940 census of Peru, the bulk of the population economically active, or 1,527,000 persons, is engaged in agriculture and stock raising. The second largest group is employed in manufacturing and totals 380,000, of whom almost one-tenth are in the chemical and allied industries. Industrial production is still in the early stages and is confined chiefly to the manufacture of textiles, foodstuffs, beverages, glass, clothing, pharmaceuticals,

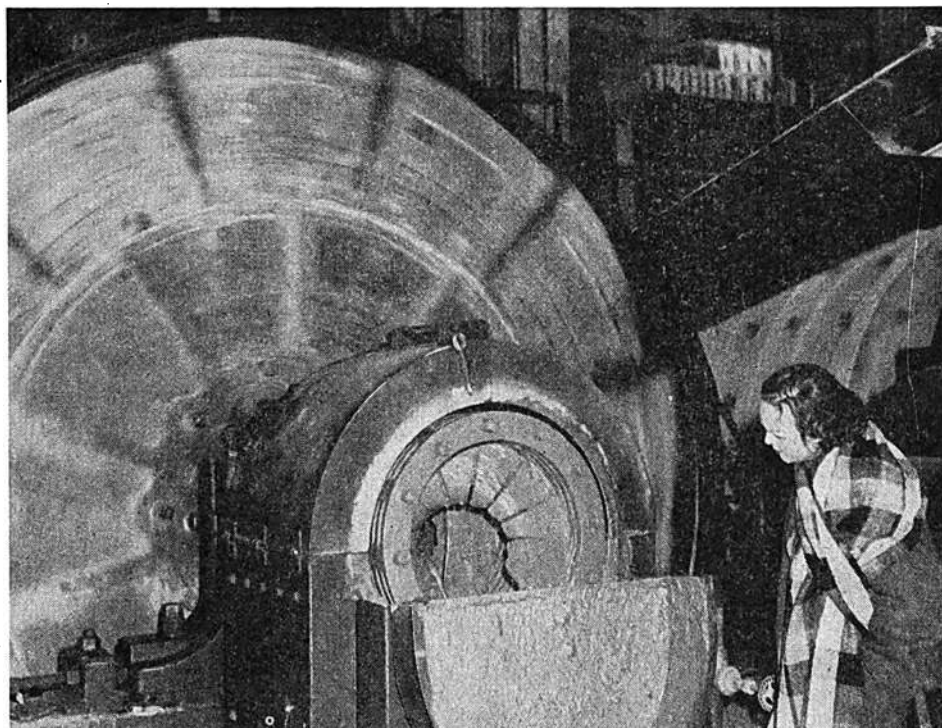
and soap, and to refining of sugar and petroleum. Although mining industries employ only 45,000 people, products of the mines and oil fields accounted for more than one-half the total export trade in 1942.

Government Participation

For many years the Peruvian Government has been interested in the development of industry. The famous guano deposits, for example, have been worked under the direction of the Government-controlled *Compañía Administradora del Guano*. Government production of vaccines and serums was begun in 1937 by the National Institute of Hygiene and Public Health, which bureau since then has broadened its activities. Also in that year the Technical Chemical Industrial Institute of Eastern Peru was formed to operate as a branch organization of the Bureau of Agriculture, Livestock and Colonization of the Ministry of Public Works.



In the heart of Peru's capital city, Lima.



Courtesy William LaVarre

The highly important mining companies in Peru use quantities of chemicals. This is a view of some of the equipment at famous Cerro de Pasco.

An industrial bank, created for the purpose of lending support to established industries and cooperating in the opening of new factories by granting long-term loans, began business on January 1, 1937. The Mining Bank of Peru, authorized by a law of July 24, 1940, includes in its activities the establishment of chemical and metallurgical laboratories and the importation of all classes of explosives for mining industries as well as chemicals for metallurgical processes.

Other Government decrees in 1940 and 1941 included an authorization for oxygen plants, creation of the National Institute of Animal Biology, and establishment of the Instituto Sanitas Sociedad Peruana.

A decree issued this year created the Peruvian Santa Corporation, a Government holding company, to establish enterprises and exploit the natural resources of the country, particularly in the Santa River Valley. Projects under way in that region include the hydroelectric plant at Chimbote and the establishment of an iron-and-steel smelting plant nearby.

Early in 1942 work was started on the agricultural experiment station at Tingo Maria on the Huallaga River of central Peru. In addition to rubber experiments, work on expanding and improving cinchona cultivation has been carried out there in cooperation with the United States. To conserve supplies of cinchona, all lands in the montafia region containing native cinchona bark were reserved for the State, and land also was set aside near Tarma for experimental cinchona plantings. The Permanent Commission on Quinine was established to supervise the industry.

The Government provided by a decree of July 19, 1943, that the cutting of the bark shall be unrestricted, and supplemented this measure by repealing the law imposing a 10 percent export duty on "cascarilla" originating in Amazonian Peru.

Other legislative measures taken this year which affected the pharmaceutical industry include the establishment of a permanent commission to be in charge of, and trade in, pharmaceutical specialties; and broadening the Commission for the Control and Supply of Medicinal Products. Also, the Inspectorate General of Pharmacy, whose scope includes control over chemical, pharmaceutical, and toilet preparations, manufacture and distribution, was formed to replace a similar organization; and the Consejo Consultativo de Farmacia was created to study and make suggestions to the Ministry about the importation, elaboration, and trade of medicinal, drug, and pharmaceutical commodities.

Expanding Cultivation

Considerable work likewise has been done to expand the cultivation of pyrethrum. Supplies now are available for domestic manufacturers of insecticides and, for the first time, official export statistics for the year 1942 recorded small shipments abroad.

Collection and improvement of cube or rotenone root, another insecticidal material, have come in for attention, with the result that production and exports have increased steadily, especially during the last 5 years. In August 1943, payment of increased prices for Peruvian rotenone-bearing roots and powder was authorized by an amendment to the

rotenone agreement with the United States.

The shutting off of the former suppliers of cinchona, pyrethrum, and rotenone by the war has focused attention on Peru as a source for United States industry in particular.

A very appreciable help toward the development of the country's industry has been improvement in the highway system which now makes possible motor travel the entire length of the country from Ecuador to both Bolivia and Chile. Roads are being built working toward the development of the interior and opening up still more new areas.

1943 Developments

Peru, as it has become more industrialized, has joined the parade in expanding chemical manufacture and consumption, although to date actual accomplishment in the form of erection of new chemical plants is small. Two of the more recent products to be made in Peru are white arsenic and copper sulfate, and plans are under way for making chlorine, calcium hypochlorite, and caustic soda. A plant of the Cerro de Pasco Copper Corporation is in operation for the recovery of white arsenic from fine dust obtained from the Cotrell plant of the Oroya smelter. Production of copper sulfate from copper scrap, begun in 1941 with an output of 20 metric tons, increased considerably in 1942, and still more in 1943.

According to reports, the manufacture of caustic soda will be started by one firm during 1943 at a new plant, which later will make chlorine and hypochlorite. An unconfirmed report from an unofficial source states that a cyanide plant is expected to be in operation during 1944.

Production of quinine was undertaken by a domestic plant (Government-sponsored) early in 1943.

Although the first Peruvian Chemical Congress was held in July 1938, it was not until the current year that recognition was given to the pharmaceutical industry's prominence. The First Pharmaceutical Convention and Exposition to be held in Peru convened in May 1943. The Congress recommended establishment of a Peruvian Pharmaceutical Register, creation of a university pharmaceutical faculty, and the development of Peruvian raw medicinal materials.

Guano production in 1943 was again low, or about 61,000 tons, 10 percent less than in 1942 and the smallest since the 1921-22 season. To offset this large reduction in output, other fertilizer resources such as fish meal and cottonseed cake were utilized. During 1942, the first year cottonseed cake was used on a large scale for fertilizer, 70,000 metric tons were consumed, replacing an estimated 13,500 metric tons of "rich" guano.

Facts About Production

Production of chemicals and allied products in Peru is relatively small, as is that of most of the consuming indus-

tries. Manufacture is limited chiefly to elaboration of products from imported materials, such as pharmaceuticals, paints, soaps, and toilet preparations. As is the case with many of the American Republics, data are meager and, with few exceptions, statistics are lacking.

The size of the establishments is indicated by the number of employees in each branch, as published recently by the Peruvian Government:

Employees in Peruvian Chemical Industry in 1940

Branch	Number
Chemical industry as a whole.....	3,108
Manufacture of—	
Chemical-pharmaceutical products.....	478
Insecticides, disinfectants, and fertilizers.....	61
Toilet articles.....	107
Soaps and candles.....	892
Gases, carbon dioxide and oxygen.....	42
Cocaine and acids.....	86
Coloring and tanning materials.....	130
Powder, explosives, and rockets.....	639
Oils and greases, animal and vegetable.....	182
Refineries:	
Salt.....	161
Petroleum and derivatives.....	69
Chemical and pharmaceutical industries not classified.....	331

Source: Official 1940 Census of Peru.

Industrial chemicals manufactured in amounts sufficient to meet domestic requirements include ethyl alcohol, magnesium sulfate, carbon dioxide, oxygen, sulfuric acid, and sodium chloride. Calcium carbide is produced by one company in amounts sufficient to meet its own requirements and to permit the sale of limited amounts to the trade. However, consumption has increased to such an extent that this commodity also must be imported.

The Sociedad Químico Industrial maintains plants in Lima and Arequipa for the manufacture of oxygen, nitrogen, and carbon dioxide. A plant under the supervision of the Ministry of War manufactures oxygen for submarine use and acetylene for the lighthouse service. The International Petroleum Co. and the Cerro de Pasco Copper Corporation manufacture oxygen for their own consumption. The International Petroleum Co. also produces propane gas and benzene—this last item for use as a solvent.

Ethyl alcohol is produced from sugarcane molasses by the fermentation process and also from grapes. Limited quantities of ethyl chloride also are manufactured.

Small amounts of black powder are produced in Arequipa and used in road construction.

The several plants mixing paints, coloring materials, and varnishes are making progress. Red lead and ultramarine blue are produced locally. Three paint factories of comparative importance and several smaller ones produce oil and cold-water paints, floor paints, anticorrosive paints, asphalt paints, and paints in powder and paste form. In 1940, the trade estimated that the domestic paint factories obtained approximately 55 percent of the business in that year. On a quality basis, foreign paints and var-

nishes are still preferred. Some linseed oil also is manufactured, but most of the supply is imported.

Pharmaceuticals, Detergents

The pharmaceutical industry includes domestic production of native pharmaceuticals and those products elaborated and packed locally from foreign materials. Cocaine is produced in appreciable quantities from local coca leaves, but it is thought that production could be expanded by utilizing more leaves rather than exporting them. A number of botanicals are grown locally, some reportedly being used by natives for medicinal purposes. Included among these are argemone, *bacharis genistiloides*, *canchalagua* (*Shukuria octoaristata*), *capsicum*, *cochineal*, *condurango*, *ginger*, *populus nigra*, and *sage* (*Salvia officinalis*).

The manufacture of pharmaceuticals is carried on by at least 35 drug stores and 10 specialized laboratories. Such items as cold and stomach remedies, antiseptics, blood purifiers, cold serums, laxatives, vitamin preparations, disinfectants, and ointments are prepared. Production has increased during the past 2 years, and, according to a foreign commercial journal, 80 percent of all medicines used in Peru can be supplied locally. Preference for foreign medicines continues, however.

Vaccines and serums are made locally by the Government-controlled National Institute of Hygiene and Public Health.

There are 10 pharmaceutical laboratories and a number of plants which manufacture the usual variety of toilet preparations, cold creams, lotions, and face powder either under their own brand names or in arrangement with foreign manufacturers.

More than 60 soap factories produce soap from domestic cottonseed oil and animal fats and from imported oils, perfumes, caustic soda, and potash. Production in 1939 was estimated at 15,000 tons—which was thought to have in-

creased at least 10 percent in 1940 and probably by a like percentage in 1941. The bulk of the soap produced is laundry soap.

Insecticides have been manufactured for several years, and, with the gradual improvement in quality and strength, the local commodity has supplied more and more of the demand.

Chemical-Import Trends

Throughout the years the United States has been a major supplying factor in Peru's chemical import trade. Its supremacy, however, was challenged by Germany during peacetime. In 1923, out of total imports of chemicals and allied products valued at \$3,300,000, the United States was credited as being the source of 48 percent, Germany and the United Kingdom each 14 percent.

Ten years later, in 1933, the proportion of chemicals received from the United States had declined to 33 percent of the total, valued at \$2,700,000, and from the United Kingdom to 13 percent, while that from Germany had increased to 35 percent.

Five years later, in 1938, the United States and Germany each furnished 34 percent of the total and the United Kingdom 9 percent. Imports in that year were valued at \$5,700,000.

With the outbreak of war and consequent difficulties in procuring oversea chemicals, Germany's share fell to 22 percent and the United Kingdom's share to 7 percent, while that of the United States was up once more to 43 percent of the total chemicals imported in 1939 valued at \$6,200,000.

In the following year, total imports of chemicals and allied products declined somewhat to \$5,700,000, but the share of the United States increased to 54 percent. Five percent came from Germany and 10 percent from the United Kingdom.

By 1941, the full effects of the war were reflected in higher prices and shifting of sources. Total chemical imports were valued at \$7,700,000, with 52 percent from the United States, 5 percent from Germany, and only 1 percent from the United Kingdom.

Last year, in 1942, the United States share was up again to 57 percent of total imports valued at \$9,600,000. Argentina, Chile, Switzerland, Sweden, and Canada have participated in the trade to a greater extent during the last 5 years, especially during 1941 and 1942. Argentina was the source of 7 percent of the chemical and allied products imported in 1942. Among the outstanding imports in 1942 from Argentina were pharmaceutical and medicinal preparations and biologicals, citric and tartaric acid, laundry blue, pigments, linseed oil, tanning extracts, and glycerin.

Switzerland and Canada were the sources for commodities that may be considered more or less their specialties—Switzerland, pharmaceuticals and dyes; Canada, cyanide and calcium carbide.

The marked increase in the amounts of chemicals and allied products imported from Chile in 1942 compared with all

(Continued on p. 34)



Courtesy William LaVarre

Fertilizers and insecticides are needed to produce such good crops as the potatoes of which this Peruvian farm woman seems so proud.

Aviation in Chile—

Tomorrow, Chile Will Observe the 25th Anniversary of the First Trans-Andean Flight. What Has the Aftermath Been? What Is the Republic's Air-Transport Position Today? And What Does It Mean for Business, Industry, Foreign Trade?

THE KEY to Chile's industrial future is transportation, and the rugged topography of this South American republic is a factor which enhances the value of air transport, slicing travel time down to hours instead of days. Chile has 2,643 miles of air lines, 22,613 miles of highways, and 5,490 miles of railroads. Railways of Chile date from 1851 when a United States citizen, William Wheelwright, built a road from Caldera to Copiapo, which some claim is the oldest in South America. In the five republics on the western coast of South America, railway mileage (12,500 miles) is less than in the State of Texas. Of the impressive air-line network of Latin America, which is two-and-one-half times greater than that in the Continental United States, Chile has a domestic line of 1,345 unduplicated route miles, and 16,570 scheduled miles are flown weekly, in addition to international air-transport services.

Reliable Utilities

Winged travel supplements surface transportation. An airplane lifts its wings above New York City, disappears into the clouds, and in less than 4 days, after a 5,000-mile trip, the passenger arrives at Los Cerrillos airport, Santiago, Chile (actually east of New York). Three weeks would have been required for the journey by sea. Thus hemispheric ties are strengthened through utilization of this medium of transportation. Chile's geographical shape and the difficult surface transportation make air traffic popular, and air transportation has grown in importance during this past year. There are five services per week to and from the United States, and there is daily service to and from Argentina.

As indicative of the increase in service, during the first 11 months of 1940, 3,631 persons entered Chile by air; during the corresponding period in 1941, there were 5,036; and in 1942, 5,779. Throughout the first 11 months of 1940, 3,520 persons departed; in 1941, 4,992; and in 1942, 5,843. Departures and arrivals by air during the first 11 months of 1942 were nearly 62 percent above the corresponding period of 1940.

The increased use of air transportation was not confined to international traffic. Chilean domestic air lines in 1940 (first

By MARY B. MACKRILL, *Industrial Projects Unit, Bureau of Foreign and Domestic Commerce*

11 months) carried 2,213 passengers, 14,247 kilograms of freight, and 6,870 kilograms of mail. In 1941 (first 11 months) traffic comprised 6,753 passengers, 27,070 kilograms of freight, and 8,416 kilograms of mail; and in the first 11 months of 1942, 13,436 passengers, 31,893 kilograms of freight, and 10,660 kilograms of mail. Compared with 1940 (first 11 months) passenger traffic in 1941 had increased by 205 percent, freight by 90 percent, and mail by 22 percent. In 1942 (first 11 months) the traffic was greater than in the comparable period of 1940 by 507 percent in passenger traffic, 124 percent in freight, and 55 percent in mail.

New Ways—Airways

Chile is bounded on the west and south by the Pacific Ocean, on the north by

Peru, and on the east by the majestic snow-blurred peaks of the Andes dividing it from Bolivia and Argentina by a wall of rock, snow, and ice, reaching some 20,000 feet in the air.

Chileans had to meet the challenge of this physical barrier. It was dawn on December 12, 1918, as Lieutenant Dagoberto Godoy stood beside his "flying crate" at El Bosque, the military airport of Santiago. Mist-like clouds hung over the Andes, 60 miles away. The air was cool against his cheeks as he looked upward toward the dark shadows—this forbidding wall which soon he was to attempt to scale. Within him was an intrepid courage, but a gruelling flight was ahead of him. It would be difficult to distinguish between floating white clouds and stern white mountain crests. If he failed, death—yet it would be death in the service of his country. At 4:20 a. m. he stepped into the one-seater, 110-horsepower monoplane with its open cockpit, a frail craft to negotiate alone a skyway trail unblazed by birdmen. But youth is a talisman, and at 6:35



At Los Cerrillos Airport, Santiago, Chile.

Courtesy Chilean Line

a. m. he was receiving the enthusiastic acclaim of his neighbors at Lagunillas, near Mendoza, Argentina. The first flight had been made over the Andes!

Colonel Pedro Pablo Dartnell, who conceived the idea of this notable flight, awaited the outcome, and when the young lieutenant calmly flew back over his own blazed trail the glory and honor of the deed rang around the world. The tempo of life was speeded up for Chile. This year, the twenty-fifth anniversary of that eventful day is being celebrated tomorrow, December 12, 1943—Aviation Day—in Chile with fitting ceremonies. The people of young Godoy's natal city, Temuco, in the Province of Cautin, as well as the entire populace of Chile, are offering him homage. How many airplanes have passed over that Andean wall since 1919!

Companies Operating

Civil aviation in Chile is under the Dirección de Aeronáutica, which is under the immediate control of the Ministry of the Interior. Chilean law permits only its national air line to carry traffic originating at one point in Chile and destined for another point in Chile. Línea Aerea Nacional, known as LAN Chile, is the national domestic service, and Pan American-Grace Airways (Panagra) supplies the international and transcontinental routes.

Línea Aerea Nacional

LAN began operations in 1930 along the coast line from Santiago north, and later south to Concepcion. The northern route, 1,075 miles from Santiago to Arica, has both local and express service and touches the towns of Ovalle, La Serena, Vallenar, Copiapo, Taltal, Antofagasta, Tocopilla, Iquique, and Arica. Santiago, Chile's capital, is a spearhead of air line travel from the north, south, and east. The principal customs airport of Chile is Los Cerrillos, which is equipped with night flying facilities. Near Santiago at El Bosque are the Aviation School, Anti-Aircraft Defense Group, Central Repair Shops, Aviation Arsenal, and Mechanics' Training School. Here, too, is the important base of the Fuerza Aerea.

The southern route touching at Cauquenes and Concepcion is projected to extend to Castro on the Island of Chiloe, Puerto Montt, and points further south.

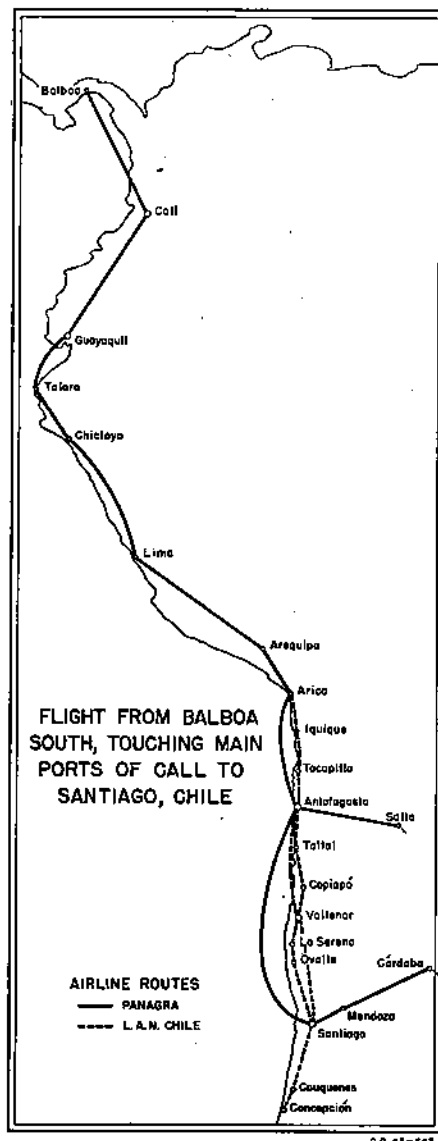
Pan American-Grace Airways

Panagra enters Chile at Arica, first port of call and northernmost Chilean port, some 5½ hours by air from Santiago, and continues south to Antofagasta, nitrate port and important shipping center. At this city the line divides, one route going eastward through Salta, Argentina, to connect at Buenos Aires with the Eastern Division of Pan American Airways; the other south to Santiago, and from the capital across the Andes to Mendoza and on to Cordoba and Buenos Aires, Argentina.

The entire air-line route of Panagra from the Canal Zone south to Argentina



At the Tocopilla Airfield, in Chile's northern nitrate region.



has an unduplicated route mileage of 7,436, which is longer than that of any commercial air line operating within the United States. With Pan American Airways it encloses the South American continent with a circle of wings.

Trans-Andean Services

In 1942, in order to provide a direct service as well as a third route across the Andes, and to relieve traffic on the more southerly route over the peaks between Santiago and Buenos Aires, experimental flights were made between Antofagasta, Chile, and Salta (Argentina) which indicated that atmospheric conditions were excellent for a new skyway. On September 6, 1942, a route between these points was established on which the flying time is approximately 2 hours and 20 minutes each way. This important extension of daily service south of the Canal Zone was the occasion of a ceremony. This route joins Panagra's "Diagonal" route from La Paz at Salta, the center of a rich mining area, and continues on to Cordoba and Buenos Aires. In crossing the Andes at this point Panagra parallels a railroad now under construction from the Pacific to Salta which will provide additional transport facilities when completed.

Aero Clubs

The President of Chile in 1941 conducted a campaign to raise funds for the purchase of airplanes to be allocated to aero clubs located in Chillan, Curico, Copiapo, Concepcion, Cauquenes, Osorno, Puerto Montt, Punta Arenas, Los Andes, San Felipe, Santiago, Temuco, Valparaiso, and other cities. Many civilian pilots receive their training through clubs affiliated with the Club Aereo de Chile which in turn is linked with the Federation Aeronautique International.

A new civilian landing field was inaugurated in San Felipe on August 29, 1943. The Government turned over an airplane purchased with funds collected during the "Wings for Chile" campaign, and an additional ship purchased with privately collected funds was added to those owned by the San Felipe Aviation Club. Other instruction planes have been distributed by President Juan Antonio Rios to civilian aviation clubs in Chile.

Futuramas

Chile recognizes that this is a transitional period of aviation expansion and that air policies adopted at this time will affect generations of Chileans. Many tours have been made to glean information upon which to base a sound policy.

Chilean Air Force officers, headed by Lieutenant General Manuel Tovarias Arroyo, chief of the Chilean Air Force, recently made a tour of the United States aviation bases and plants.

Group Commander Raul Gonzales Nolle, chief of the Chilean Air Commission, inspected the plant of the Ryan Aeronautical Co. in late summer with

(Continued on p. 29)

News by COUNTRIES

Argentina

Economic Conditions

The economic situation in Argentina in October was influenced by internal factors, including the tax policy, that do not yet clearly indicate future trends. The Government is making plans to stimulate domestic industry, these plans including large-scale public construction projects and encouragement of private industrial output by the expansion of bank credits.

An initial appropriation of 50,000,000 pesos has been made to finance workmen's housing projects, and plans also call for the construction of underground silos capable of holding a million tons of wheat and to be built of cement and earth. These silos, whose initial cost is estimated at 100,000,000 pesos, will be located throughout the country. In addition, there are plans for large-scale public works and for the improvement of Argentina's aerial defense.

The contract made by the British Ministry of Food, acting for the United Nations, to purchase Argentina's exportable surplus of eggs was an encouraging factor for the agricultural and livestock communities. The contract calls for the entire exportable surplus, both dried and in the shell, for the 1943-44 season, with a further agreement in principal covering 1944-45.

LIVESTOCK AND BYPRODUCTS

Under ideal weather conditions in October, pastures continued plentiful in the livestock areas, and the condition of livestock and working animals was normal. The supply of cattle for export appears to be larger than at any other time this year. Extra prices for steers, ranging between 4 percent and 9.5 percent, which packers will have to pay in filling the meat contract with the United Nations, were announced. In the case of top-quality animals, the upward price spread since 1939, when the first contract was signed with Great Britain, amounts to about 35 percent. Sheep entries were abundant at firm prices owing to accumulated export demand.

Trading in the wool market was quiet in October, and prices for medium crossbreds and finer grades remained unchanged. Sales of Merino wools were small. Market prospects for the 1943-44 season appear to be increasingly dependent upon the war needs of the United States. Unofficial stock calculations are that the 1943-44 greasy wool carry-over amounts to 175,000 tons, compared with 88,000 tons a year earlier, and that the exportable surplus at this time amounts to 355,000 tons, half of which is coarse wool, comparing with 278,000 tons at the beginning of the 1942-43 wool year.

A decree was issued during the month

authorizing the Bank of the Nation to grant sheep farmers special loans against the security of their holdings of coarse wool. These advances will be made at 4 percent interest per annum, the maturity period of 360 days being subject to renewal. Amounts to be advanced will be determined on the quality and condition of the wool and also the average price paid for this clip during the past 10 years.

Continued quiet prevailed in the "refrigerificos" salt hide market during October, with both exporters and the local industry awaiting developments before covering their requirements. Increased slaughtering, however, improved the supply position. Local tanners continued to be the chief buyers of "Americano" dry hides, and prices remained above the United Nations' ceilings.

CROPS AND MARKETS

Weather during October was favorable for growing crops and for plowing and seeding operations for corn and sunflowers. Wheat and linseed crops are

reported to have recovered completely from the poor weather conditions of September. Frosts and comparative dryness of recent months indicate little insect damage this year.

It was announced that the United States, acting on behalf of the United Nations, was buying the exportable surplus of shelled peanuts of the 1943-44 crop at a guaranteed minimum price of 30 pesos per 100 kilograms.

The third official estimate of areas sown to fine grains and linseed for the 1943-44 season, totaling 13,910,164 hectares, differs only slightly from the previous forecast, but shows an increase of 283,093 hectares over the preceding season. The following figures show the forecast in detail, a comparison in each case with the average planting over the previous 5 years appearing in parenthesis: wheat, 6,845,088 hectares (7,418,814); linseed, 2,358,305 hectares (2,772,063); oats, 2,128,192 hectares (1,584,049); barley, 705,596 hectares (786,913); rye, 1,824,969 hectares (1,212,939); and birdseed, 48,014 hectares (53,908). The foregoing comparisons reveal sharp decreases in plantings of wheat and linseed, but substantial increases in oats and rye.

The Government's fourth estimate of the 1942-43 cotton crop has been placed at 107,000 tons, an increase of 12,000 tons over the previous official estimate, and also approximately 26,000 tons larger than the record harvest of 80,907 tons obtained in 1935-1936.

To counteract the acute shortage of burlap bags in the country, decrees were issued permitting the temporary duty-free import of all cotton cloth suitable for bags, while, in order to reserve jute for grain sacking, all other uses are forbidden where cotton bags may be substituted.

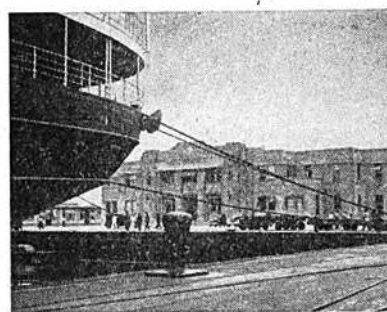
An official statement of October 19, 1943, as to the exportable surpluses of grains indicates 3,405,918 tons of wheat, 696,934 tons of linseed, and 145,850 tons of corn.

In explaining the availability of corn for export, whereas a few months ago it was stated officially that there was no exportable surplus, the Ministry of Agriculture announced that the surplus results from the excellent state of pasture, which has reduced the demand for grain as fodder, and the fact that 500,000 tons of wheat may still be burned, thus releasing an equivalent amount of corn.

Very little wheat was sold during October, Brazil and Sweden showing about the only buying interest. British purchases disappeared when the Grain Board raised its selling limits and exporters asked higher prices. Basic purchase price to farmers for wheat has been set at 8 pesos per quintal by the Grain Board.

During the latter part of October, the export prohibition on whole, crushed, or ground corn, and corn oil, was lifted, sub-

The Cover Picture



Customhouse at Callao

In the background of our cover picture this week is the handsome new "Aduana" or Customhouse at Callao, principal port of Peru, one of the west-coast South American republics which is today experiencing heightened well-being in many fields as a result of the war's demands and the new energies that are being released by today's exigencies and efforts.

Through Callao—which is only a few miles distant from Lima, Peru's capital city—passes 60 or 70 percent of the foreign trade of the country. The firms that foreign commercial representatives generally wish to see are located for the most part in Lima, and travelers, upon landing near the Customhouse above portrayed, usually proceed immediately to the capital city.

ject to the requirements of the domestic market. The Government is reported to prefer to export the corn still remaining in the hands of farmers by the substitution of old-crop wheat for fuel purposes. The small exportable surplus of corn can be disposed of to Uruguay, which is in urgent need of the product, or, possibly, European countries.

Although the Grain Board reduced its linseed selling price by 7 percent, there was little favorable reaction in October. Nearly 500,000 tons have been exported since July 1. Stocks are heavy, for, besides what the Grain Board holds, farmers are reported to be carrying from 200,000 tons to 250,000 tons. Sweden and Spain bought lots during October, but interest on the part of the United Nations was lacking. The trade estimates that the carry-over to 1944 may be as high as 400,000 to 500,000 tons.

The Grain Board buying price for the next sunflower-seed crop, harvestable in April, which has been fixed at 13 pesos per 100 kilograms f. a. s. Buenos Aires, is so satisfactory for farmers that the planted acreage may be large.

Local speculation, encouraged by the high market quotations for oats in Chicago, already has resulted in the sale of about 40,000 tons of the new crop for export. Two cargoes of barley are reported sold to the United States Commodity Credit Corporation for shipment next January or February. No rye business is reported, there being little or nothing of the old crop in farmers' hands, and no trading has been done in the coming crop.

COMMERCE AND INDUSTRY

Official measures continue to be announced for the protection of industry—one of which was a decree fixing the minimum output of Portland cement from Argentine factories at 1,000,000 tons a year, and providing fuel supplies for this industry. Domestic cement production has increased from 427,000 tons in 1933 to 1,044,187 tons in 1942.

Effects of the acute shortage of fuels and lubricants, in relation to the Government's plans for reinforcing the domestic industrial situation, have resulted in the creation of the National Department of Power with far-reaching authority. The decree establishing the Department states that it will be given power to control the production, distribution, and consumption of all fuels and electric energy and power existing in the country, irrespective of their origin or ownership.

The pharmaceutical trade was placed under official control in September. Like the textile industry, this trade is subject to the fixing of maximum prices throughout the country for importers, manufacturers, wholesalers, and retailers.

The upward trend of bankruptcies, which was arrested in September, continued in October, with more than double the total pesos registered during the preceding month and 68.9 percent more than the total for October a year ago.

The clearing-house movement resumed its downward trend in October, after a substantial increase during September.

There were increases in both numbers

and tonnage of seagoing vessel arrivals during September, but a number of the ships entered Argentine ports in ballast to load grains and linseed. There were 126 vessels arrived aggregating 315,055 net registered tons, an increase of 19 vessels, for 65,715 net registered tons, over August. Compared with September a year ago, there was an increase of 18 percent in ship arrivals and 26.3 percent in the total tonnage. Argentine ships led all others in number during September, but British vessels had the largest tonnage. Spanish and North American vessels were in third and fourth tonnage positions, respectively.

A more favorable interpretation of the recent lower-rents decree, which has adversely influenced building construction in the Federal Capital, encouraged new building activity during August. Registrations of the month were appreciably under those of the corresponding month a year earlier.

For the first 8 months of this year, there were granted 10,489 building permits for a construction value of 131,349,945 pesos, compared with 10,485 permits for 111,626,974 pesos during the corresponding period of 1942.

The Government has issued a decree ordering, within a year, a general census including population and the manufacturing, agriculture, and livestock industries, real estate, public instruction, and other social and economic activities.

LABOR AND PRICES

There was accelerated unrest in labor circles during October. Official reports for September show no startling changes

in industrial employment or wages paid. The trends, however, continued, with industrial employment lower and wages paid higher, though the index for work-hours moved upward.

There was a decline in the general wholesale price index for September. On the basis of 100 for 1926, the September index, as shown in the monthly report of the Central Bank, stood at 202.9 in comparison with 204.3 during the preceding month and 193.8 during September a year ago. The nonagricultural group index was 234.8, against 235.5 for August and 224.8 for September 1942; while the agricultural group number came to 86.2, in relation to 90.1 during August and 80.8 for September 1942.

The Department of Labor's general cost-of-living index for September, calculated on the basis of 100 for 1939, stood at 107.40 in comparison with 106.51 for the preceding month, thus reflecting a steady rise since the sharp drop of June. The change during September was occasioned through rises of the cost of foodstuffs and of hardware, as the indexes of rent, lighting and heating, clothing, and general expenses continued unchanged. Among the individual foodstuffs items, increases occurred in the prices of potatoes, vegetables, and conserves, against decreases affecting the prices of eggs, edible oils, cheese, and rice.

On the basis of average values for 1942 the general index for September stood at 96.85. This is the result chiefly of a 20-point drop in the rent index—as the other principal group-indexes except clothing, which fell off slightly, increased.

Pertinent Comments on World Economy Today

(Being one of a series of excerpts from books, pamphlets, and speeches)

Europe Must Abandon "Economic Atavism"

Recent experience abundantly proves one basic economic fact. Europe, in whole or in part, cannot be organized on a basis of expanding welfare except as part of a world system. The autarchic unity which Germany has forced upon the Continent is a unity of impoverishment. Only in a world trading system can the European peoples breathe freely.

It is this fact, more than any other, which renders suspect plans for European federation. The German influence in such a federation would necessarily be dominant. Ingenious constitutions cannot outweigh the force of rich raw materials, integrated industry, and massed population. One may well fear that a United States of Europe would quickly prove to be not a step toward a peacefully organized world but *the greatest bar to realizing that much-desired goal.*

Whatever pattern future events and policies may trace across the map of Europe, the distribution of economic resources is not likely, after this war, to count for as little as in 1919. When the time comes to reorganize the shattered Continent, the assembled facts and figures will be invaluable. Beyond the facts and the figures, however, lie the policies and ideas that men have tried to put into effect . . .

Any solution of the problems of central and eastern Europe must be found in a setting wider than Europe. In the twentieth century men cannot safely allow themselves to be governed by feuds or dreams that draw their inspiration from the break-up of the Holy Roman Empire. Life runs most vigorously now in the world *outside* Europe. If the peoples east, and west, of the Rhine are to fit into modern society they must become part of a world trading system.

Twice in a generation both they and the peoples of the New World with them have paid a bitter price for their atavism. It is time that they were faced toward the future instead of the past.

{From Professor J. B. Condliffe's introduction to "The Danube Basin and the German Economic Sphere," by Antonin Basch. Publishers: Columbia University Press, New York City.}

Canadian Exporters Organize

Following preliminary meetings of local groups in Toronto and Montreal, a Canadian Exporters Association recently was organized on a national basis. About 130 representatives of export interests attended the first national meeting early in September.

The principal considerations behind the movement are reported to be (a) realization of the desirability of maintaining export trade after the war and (b) the need of exporters to find some means of keeping abreast of new regulations which are constantly affecting the world markets. The promoters of the Association feel that while the Canadian Government has done much and can do still more to encourage and maintain export trade, the exporters themselves must accept their share of responsibility.

Membership is being confined to exporting manufacturers, export selling agents, export buying agents, and export forwarding agents. The Association's objectives are stated to be the following:

1. To bring united action to bear on the formulation of post-war trade plans and to see that Canada is given equal opportunity with other nations to have a definite place in all such arrangements.
2. To cooperate with the Department of Trade and Commerce to this end.
3. To safeguard the interests of exporters at home and abroad.
4. To form trade groups to consider particular export matters.

FOREIGN TRADE

The value of exports in September, the highest of any month since the war began, increased 20.8 percent over the corresponding returns for August. Import value decreased 5.6 percent under August. September's volume of exports increased 4.5 percent over August. Import volume increased by 6.2 percent. Taken in relation to September 1942, tonnage of exports rose 15.8 percent, and of imports 8.7 percent.

Argentina's favorable trade balance for September, probably the largest of record, totaled 147,951,687 pesos, compared with similar surpluses of 103,808,787 pesos for the preceding month and 39,981,725 pesos for September 1942.

The cumulative volume statistics for the first three quarters of this year continue to be the lowest for any equivalent period in the last decade. The export tonnage was 10.1 percent lower than for the corresponding period of last year, and 62.8 percent below the total for the relative period of 1939. Total import volume was 23.8 percent lower than in the corresponding 1942 period, and 63.5 percent under the relative period of 1939.

The value of exports during the 9-

month period was the largest for any similar period in the last 10 years, except 1937. It showed an increase of 11.2 percent over the equivalent period of 1942. Value of imports was the smallest for any corresponding period in the last decade, and represented a decrease of 29.6 percent since 1942. This resulted in an extraordinary "favorable balance" amounting to 801,703,283 pesos, compared with 350,044,185 pesos for the relative period of last year.

In comparison with the first three-quarters of last year, the 1943 period showed an export volume decrease of 14.9 percent in the pastoral group of commodities, 8.7 percent in the agricultural group, 17.1 percent in forest products, and 22.9 percent in miscellaneous products, which includes manufactured articles.

The value of miscellaneous exports increased by 85.1 percent. Increases were mainly in textiles and manufactures, chemicals and pharmaceutical products, and foodstuffs. The export value of this group represented 19.1 percent of the total value of exports; while the value increase in question made up 86.7 percent of the country's total increase of export values over the 1942 period. Exports of mining products increased by 19.1 percent, and of hunting and fishing products by 99.1 percent.

On the import side, the chief decline was in fuels and lubricants—a decrease constituting about 60 percent of the total import-volume decrease during the current period. Other significant volume decreases were as follows: rubber and manufactures, 86.5 percent; machinery and vehicles, 67.5 percent; textiles and manufactures, 49.8 percent; iron and manufactures, 46.9 percent; metals, excluding iron and manufactures, 45 percent; foodstuffs, 21.2 percent; wood and manufactures, 19.2 percent; paper and cardboard, 12.2 percent; beverages, 8.9 percent; rock, earth, glass, and ceramics, 6.8 percent, and miscellaneous articles, 50 percent. The two groups showing increases during the comparative periods were chemical and pharmaceutical products, 15.9 percent, and tobacco and manufactures, 2.8 percent.

The cumulative figures for the first three quarters of this year show Great Britain as the leading supplier and customer in the Argentine foreign trade; the United States was in second place in both instances, and Brazil and Sweden were in third and fourth places, respectively, as suppliers of merchandise, while the Union of South Africa and Brazil were in third and fourth places, respectively, as countries of destination of Argentine products.

Belgian Congo and Ruanda-Urundi

Wartime Commodity Controls

Governor General Authorized to Order Declaration and Regulate Disposition and Use of All Goods.—The Governor General has been authorized to order the declaration of the existence of all prod-

ucts and goods in the Belgian Congo and Ruanda-Urundi, and to regulate the right of disposition and utilization of products and goods, effective from February 15, 1943, by legislative ordinance No. 29/A. E.—Appro. of February 1, published in the Bulletin Administratif of February 10.

[Such authority was formally limited to metallurgical products only.]

Cloth for Trading: Post of Controller Established.—The post of Controller of Cloth for Trading was created in the Belgian Congo and Ruanda-Urundi, under the Governor General, by ordinance No. 24/S. G. of January 31, 1943, published in the Bulletin Administratif of February 10.

This Controller is to advise the Governor General on all questions relative to the production and distribution of trading cloth in the Belgian Congo and Ruanda-Urundi, and to control the execution of programs of production and distribution of trading cloth in the interior of the colony.

Tariffs and Trade Controls

Import License and Exchange Control Revised.—Legislation governing the control of imports and the granting of exchange in the Belgian Congo and Ruanda-Urundi was revised, effective February 15, 1943, by legislative ordinance No. 26/A. E. of February 1, published in the Bulletin Administratif of February 10.

Under the above ordinance, import licenses, issued in advance, are still required for all imports except commercial samples, baggage, and parcel-post packages not intended for sale. The importation of bills and securities is subject to declaration at the customs, whatever may be the method of importation.

The granting of foreign exchange, through the Bank of the Belgian Congo, is subject to a permit.

Goods imported for warehousing or transit are subject to special regulations.

[See FOREIGN COMMERCE WEEKLY of May 31, 1941, for announcement of previous requirements.]

Commission Established To Regulate Issuance and Allotment of Import Licenses and Exchange Permits.—A commission was established at Leopoldville, Belgian Congo, in connection with the Bank of the Belgian Congo, for the purpose of assuring the control, the allotment, and the issuance of licenses for importation and for foreign exchange in the Belgian Congo and Ruanda-Urundi, by ordinance No. 28/A. E. of February 1, 1943, effective from February 15, 1943, published in the Bulletin Administratif of February 10.

This commission is to approve, reduce, defer, or refuse licenses, upon advice of the new Office of Supplies (created by legislative ordinance No. 27/A. E. of February 1, 1943).

[See FOREIGN COMMERCE WEEKLY of May 1, 1943, for announcement concerning the Office of Supplies.]

Maize: Export Duty Increased.—The export duty on maize was increased from 2 to 6 percent ad valorem in the Belgian Congo and Ruanda-Urundi, effective

from February 10, 1943, by ordinance law No. 41/Fin.-Dou. of February 6, published in the Bulletin Administratif of February 10.

[This duty had been reduced from 6 percent to 2 percent ad valorem on March 23, 1942, as announced in FOREIGN COMMERCE WEEKLY of June 20, 1942.]

Bolivia

Tariffs and Trade Controls

Certain Raw Materials for Soap and Candle Manufacture Exempted From Import Duty.—Caustic soda, animal fats, and coconut oils, when used in the manufacture of soap, were exempted from the payment of import duties in Bolivia by a decree of August 19, 1943. The decree also granted duty-free entry to stearine, when used in the manufacture of candles. The products in question, however, will continue to pay other supplementary charges, including consular fees of 6 percent of the f. o. b. value.

British West Indies

Economic Conditions

SITUATION IN TRINIDAD

Trinidad's principal industry, petroleum production for export, continued at a high level during October, with smaller industries producing almost entirely for domestic consumption. Full employment was reflected in increased demand for most goods with a resulting upward price trend in many items—especially those in short supply. However, despite increased earnings the cost of living had not risen noticeably in the preceding 2 months, standing at 189 on September 30, compared with 188 (1935=100) on August 30.

Credit continued excellent and was freely available for all local operations or for foreign-exchange transactions which had been approved by the government control authorities. Collections were considerably reduced in volume in view of the gradual spread of bulk purchasing to almost all commercial transactions and the consequent decline in ordinary trade.

The government established a 7-man Harbor Board to advise responsible government officials concerning port problems. It also appointed a committee of 11 members, of which the Industrial Adviser is chairman, to explore the possibility of establishing unemployment insurance "in those industries organized on a system of regular employment" and to investigate the prospects of health insurance. The \$10 per acre subsidy for new plantings of cane-sugar lands was raised to \$40.

AGRICULTURE

Dry weather during the early part of October allowed more ploughing to be done and new sugar plantings at this time will assist the position of the sugar

industry in 1945. Every encouragement is being given to stimulate greater sugar production. Because of labor shortages and mounting costs, sugar production had become less profitable in 1943 than earlier and the number of workers has decreased from 17,000 to about 12,000. Reduced plantings have threatened to make unremunerative the operation of the sugar factories. The increase of the subsidy to \$40 per acre is the latest encouragement to this industry.

Exports of coffee for September 1943 showed a great decline as compared with those for the corresponding month of 1942.

Transport and Communication

Harbor Improvement, Trinidad.—Progress is reported on the deepening of San Fernando harbor, Trinidad, British West Indies. A 600-foot wharf is being added.

Bulgaria

Transport and Communication

Railway Construction Projects.—Railway construction projects now being carried on by the Bulgarian Government include a line through the Osogovska mountains to connect the Sofia-Kyustendil line with the railway system of Macedonia, and a line in the Struma Valley, states the Nazi press. This latter railway is being rushed to completion because of its value as a route between Sofia and Belomorie—a quick route from the capital to the sea.

Two other railway lines are said to be under construction. One follows the Mesta River from Razlog to its connection with the Dedeagach-Salonika line, and on to the harbor at Kavalla; the other, in the Arda Valley, will connect the Bulgarian railway system with the Dedeagach-Salonika line at Gumurjina.

Canada

Economic Conditions

MAIL-ORDER TRADE FEELING SHORTAGES SEVERELY

The mail-order business in some sections of Canada is suffering more from merchandise shortages than any other type of trade. A customer able to shop in person will usually take some similar line of goods if he cannot get exactly what he is looking for. Mail-order purchasers send cash with an order for a specific item illustrated in a catalog. If this item is no longer available, the mail-order house has no alternative but to return the money. A mere return of the money may cost in overhead approximately 25 cents per order against a profit which would normally result from a completed sale. Greatest shortages are in clothing, especially men's wear, children's wear, women's hosiery, and coats. During one week in October, a large Canadian mail-order firm found it necessary to refund 35 percent of the cash value of mail orders received.

Wartime Commodity Controls

Noncommercial Use of Fertilizers Containing Chemical Nitrogen Permitted.—Fertilizer containing chemical nitrogen may now be used in Canada on lawns, golf courses, parks, cemeteries, roadsides, or for any noncommercial planting of trees, shrubs, or flowers, according to an order announced by the Administrator of Fertilizers and Pesticides, effective October 28.

The new order (A-944) revokes A-519, which was passed in December 1942 at the request of the Combined Food Board, concurrently with a similar order in the United States, for the purpose of saving fertilizer containing chemical nitrogen for food crops. It was estimated, at the time that the order was issued, that it would save 3,000 tons of such fertilizer for crops in Canada.

It is reported that the over-all nitrogen position has now improved so greatly that Canada does not have to continue this restriction for 1944.

[For further information regarding Canadian controls on fertilizer see FOREIGN COMMERCE WEEKLY of January 9, 1943.]

Tariffs and Trade Controls

Fresh Fruits and Vegetables: Imports Subject to General Permit.—Imports into Canada under general permit of fresh vegetables (including potatoes, sweet potatoes, and onions) and fresh fruits (including citrus fruits, bananas, apples, grapes, pineapples, cantaloupes, and melons) have been authorized by the Minister of National Revenue, Ottawa, according to a customs memorandum dated November 8, 1943, and effective until otherwise determined from that date.

As long as the general permit remains in effect the order does not limit in any way the importations of these fruits and vegetables. It is merely necessary for Canadian importers to put the general import permit No. G-2400 on their import entries.



Previous imports of the above fruits and vegetables were prohibited except under permit for each and every importation issued by or in behalf of the Minister of National Revenue.

Matches: Exempt From Excise Tax When Imported by Units of Armed Forces of the United States.—Matches may be imported into Canada without payment of the excise tax when imported by units of the armed forces of the United States according to order in council effective November 1, 1943.

The order further provides that no refund of the tax will be granted on any packages of matches to which stamps have been affixed in payment of the tax.

Fresh Lake Trout: Exports up to 75 Percent of Catch Permitted.—The total prohibition of exports from Canada of fresh lake trout announced October 18, 1943, has been relaxed and effective November 1, 1943, exports of fresh lake trout will be permitted only when covered by export permits, issued on the express condition that at least 25 percent of an applicant's production available for marketing at the time application is made for export permit, is sold on the domestic market, according to customs memorandum issued by the Department of National Revenue, Ottawa, November 10, 1943.

No exports of frozen lake trout except frozen fat trout will be permitted.

[For announcement of total prohibition see FOREIGN COMMERCE WEEKLY of November 13, 1943.]

Ceylon

Economic Conditions

Little change is reported in financial and economic conditions in Ceylon for the third quarter of 1943, although there was an increased shortage in some foodstuffs, textiles, and other items of consumer goods. As a result of the shortage the price of those commodities over which there is no control had risen appreciably.

The exportation of foodstuffs from India has been prohibited for an indefi-

nite period, giving rise to anxiety for the future of Ceylon's food supply. The food-production program has failed to meet expectations because of a general shortage of labor, many agricultural workers having taken employment on military projects.

The value of exports for the first 9 months of 1943 was approximately 40 percent greater than that for the corresponding period of 1942 and imports by the same comparison increased by approximately 70 percent. Ceylon continues to have a positive balance of trade although it dropped from 177,176,000 rupees for the first 9 months of 1942 to 99,300,000 rupees for the corresponding period of 1943.

There were large increases in the exports of copra and coconut oil, and decreases in plumbago and citronella oil. The principal imports were foodstuffs from India and Australia, petroleum from Iran, and cotton piece goods from India.

Ceylon's fiscal year ended on September 30 with an estimated surplus of 47,300,000 rupees (\$14,190,000) in Government accounts and for the current year a surplus of 24,000,000 rupees was estimated. The following percentages based on the 1934-38 averages as 100, are somewhat indicative of the State finances as of August 1943: Note circulation, 399.6; bank clearings, 281.5; savings deposits, 128.6; and Government revenue, 219.8.

Chile

Exchange and Finance

Farm-Mortgage Debt Increased.—According to data recently released by the Directorate General of Statistics, the farm-mortgage debt of Chile rose by 227 percent between the end of 1933 and the end of 1942, increasing from 140,814,000 pesos to 449,914,000 pesos. Income of farmers in Chile has been maintained at relatively high levels and the present mortgage indebtedness is not regarded as alarming. The increase reflects in large part an increase in the number of

individual mortgages placed on farm properties as a result of the larger amount of funds available through State and private mortgage banks and general banking channels. Mortgages outstanding at the end of the years 1933-42 inclusive are as follows:

	Paper pesos
1933	140,814,000
1934	129,979,000
1935	159,688,000
1936	217,799,000
1937	189,510,000
1938	226,795,000
1939	294,570,000
1940	356,572,000
1941	388,238,000
1942	449,914,000

Transport and Communication

Commission Created.—A permanent commission has been created in Chile to report on all services of the State Railways.

The commission will consist of the Under Secretary of the Ministry of Public Works and Communications, a delegate from the office of the Comptroller General, a former director and a former employee of the State Railways, and the Director of the Railway Department of the Ministry of Public Works and Communications. The Navy's Director of the Littoral will serve on the commission for the study of anything related to the maritime service of the State Railways.

As part of its duties, the commission must report at least once a year to the Ministry of Public Works and Communications on the condition of entities, corporations, or other activities not forming part of the State Railway System but in which it participates as a stockholder or partner.

Subway for Santiago Contemplated.—Transportation problems in Santiago, Chile, are causing renewed interest in the construction of a subway system, states the Chilean press. Preliminary studies have been made by the Department of Railways, and the cost of construction and equipment is estimated at 240,000,000 pesos. The depth of the lines would vary from 5 to 11 meters.

Colombia

Economic Conditions

The effects of price-control measures in Colombia were reflected in the cost-of-living index, which declined from 144.2 in August to 142.4 in September, chiefly because of lower prices for foodstuffs, beverages, and fuel. The index of wholesale prices in Bogota for various articles of consumption, however, increased during September, despite the greater volume of imported foodstuffs and the decline of the index relating to these products for the third successive month. Retail sales have been well maintained in general, although there were some indications that buyers were delaying purchases in anticipation of further price reductions.

Consumer cooperatives extended their activities by establishing a National Federation with headquarters at Bogota.

Cost of Living Rises Sharply in Bombay and Madras

Reports from Bombay and Madras, in India, indicate a general, and in some items a great, rise in the cost of living. Rents in Bombay are from two to three times the levels of 2 years ago, and, with an increase of half a million in the city's population, it is difficult to find quarters even at these increased rates. Although rents were frozen at 1940 levels, no restriction was placed upon rates for sub-letting.

The price of food grains and sugar is controlled by rationing, but that of vegetables and dairy products has greatly increased, with severe shortages in some items. Drugs, medical supplies, and toilet articles, if available at all, are sold at very high prices.

The index of the cost of living of the general working class in Bombay (based on June 1934 as 100) rose from a 1939 average of 106 to 235 the last of June of this year. In the same period, the cost-of-food index increased from 114 to 253.

In Madras, the general cost-of-living index, based on the year 1935-36 (July-June) as 100, increased from 117 in January 1942 to 181 in October of this year. Further increases were expected as a result of losses incurred from a flood in October. Increases in cost-of-living allowances for city employees have varied from 20 to 100 percent since September 1, 1939.

The cooperative in Bogota was also considering the establishment of a wholesale branch to centralize purchases for subsequent resale to the cooperative stores comprising the system and also to independent retailers who would agree to sell at the same prices as those in force at the consumer cooperatives.

The Office of Price Control established maximum prices for nails and certain other construction materials, drugs, and wheat flour, as well as maximum rentals for houses and apartments. The increased volume of imports has also been a factor in reducing prices for various commodities.

MANUFACTURING

Capital investments in new industrial enterprises during September totaled more than 1,300,000 pesos, but were less than half of the corresponding total for the preceding month. The new industrial activities were chiefly in the manufacture of furniture, glass vials, alkaloids, agricultural machinery, bricks, and clothing. Textile mills in the Medellin area continued operations at capacity levels—partly accounted for by the volume of exports to Panama, Venezuela, and Ecuador.

TRANSPORT DIFFICULTIES

Numerous washouts and landslides, following a period of heavy rainfall, interrupted train schedules in September and placed an additional strain upon the transportation system. Highway construction was held to a minimum by the unfavorable weather conditions.

The strike of bus and truck operators, which had virtually paralyzed transportation by trucks and busses throughout a large part of the country, was brought to a close by the cancellation of the regulatory decree of August 12, 1943. The provisions of this measure to control transportation by busses and trucks had been largely responsible for the strike.

CONSTRUCTION PROGRESS

Housing projects in Bogota and Bucaramanga, comprising over 250 homes, were inaugurated during the month of October, and the construction of 134 low-cost dwellings in Barranquilla made satisfactory progress. The demand for houses in the Bogota project greatly exceeded the supply, with the result that preference ratings were established for applicants.

Construction of the railroad to connect the Ferrocarril de Antioquia at Puerto Berrio with the Ferrocarril de la Dorada was continued, and funds were appropriated to complete the remaining section of 100 kilometers. Studies were also reported under way for the construction of a new railroad station at Bogota and for changing the tracks of all lines entering the city to a uniform width of 1 meter.

New road-building projects included the construction of highways between Barranquilla and Cienaga and from Ortega to Guamo. Plans were approved for the construction of a landing field and airdrome at Manizales, which, if opened to commercial use, would permit air communication between that city and



the other commercial centers of Colombia.

Other building projects included a modern office building in Bogota, a movie theater in Medellin, and several public buildings in the Department of Cartagena.

Tariffs and Trade Controls

Supplementary Agreement Expands Reciprocal Tariff Concessions of Proposed Commercial Treaty With Ecuador.—A supplementary agreement expanding the reciprocal tariff concessions of the Colombian-Ecuadoran commercial treaty of July 6, 1942, was signed at Quito, on October 14, 1943. This agreement adds to the lists of articles which each country would admit duty-free from the other and modifies the wording of a number of concessions in the original treaty, which has not yet been ratified, so as to broaden considerably the scope of those concessions.

The supplementary agreement adds "calcium chloride for industrial use and pharmaceutical specialties" to the list of articles which Colombia would admit duty-free from Ecuador. The items "woolen cashmere," "crude cotton yarn," "crude woolen yarn," and "liencillos cotton cloth," which were on the list of Ecuadoran articles to be admitted duty-free into Colombia, have been changed to read "woolen textiles of all classes," "cotton yarn," "woolen yarn," and "cotton textiles (crude and dyed sheetings and drills (casinetes))," respectively.

To the list of Colombian merchandise which Ecuador has agreed to admit duty-free, the new agreement adds coal, crackers, and confectionery. Moreover, the item "woolen cloth (except covers, linen, and blankets)" on the list of Colombian

merchandise to be admitted duty-free into Ecuador, has been modified to read "woolen textiles of all classes."

[See FOREIGN COMMERCE WEEKLY of October 23, 1943, for notice of signature of the proposed commercial treaty between Colombia and Ecuador.]

Costa Rica

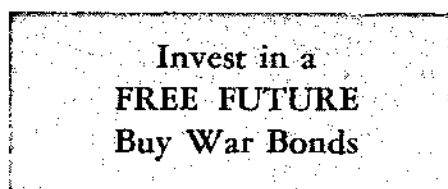
Economic Conditions

MEASURES TO ENCOURAGE NATIONAL PRODUCTION OF BASIC FOODS

With the passage of law No. 26 of November 6, 1943, the Costa Rican Government adopted measures to protect and encourage the national production of such basic foods as corn, rice, beans, and potatoes. The law provides for the creation of a fund of 1,500,000 colones for the financing of the undertaking. This fund is to be managed by the National Bank of Costa Rica under a 5-year contract, extendable for an unspecified number of additional 5-year periods, between itself and the Ministries of Finance, Agriculture, and Labor.

Of the total fund to be turned over to the National Bank, 1,000,000 colones will be in defense bonds and 500,000 colones will be in cash. This cash, together with other funds advanced by the bank against the bonds, will be used by the bank to purchase under contract guaranteed by the National Government the production of rice, beans, corn, and potatoes from national producers. The law specifically provides that under these contracts the bank is under obligation to purchase the products mentioned, but that producers are not under obligation to sell to the bank. Prices of products purchased will be determined on the basis of cost data compiled by the bank and will include a reasonable profit for the producer.

The law also provides for the construction by the National Government of warehouses which will be managed by the National Bank. The cost of such construction is not a charge against the 1,500,000-colones fund.



The income derived from the 1,000,000 colones in defense bonds, as well as any profit derived from the sale of products bought, will be used to improve methods of production.

Cuba

Economic Conditions

General economic conditions in Cuba, in keeping with recent upward trends, showed further improvement during October and business activity was accelerated in preparation for the coming sugar crop which is expected to begin early in January. Prospects for 1944 appear bright at this time and a general feeling of optimism prevails throughout the Island.

Supplies of most foods were adequate to meet demand and there was no severe pressure on prices, with the exception of beans and onions. Violations of ceiling prices of these latter products were noted during the month as supplies continued extremely short.

PRICE INDEX

The general level of prices of foodstuffs continued to increase in the 3-month period from June 15 to September 15. In comparison with the base index of 100 (the last 6 months of 1937) the food-price index in June 1943 was 150.2 and 158.4 in September. This latter figure compares with a price index of 139.6 in September 1942.

LABOR

As a result of the continued rise in the cost of living, labor groups are continuing agitation for higher wages. During October, wages of makers of cigars for export and workers in the cardboard-box manufacturing industry were increased by resolutions of the Ministry of Labor.

Evidence of the gains made by labor in recent periods is afforded by data on wage and salary payments throughout Cuba (not including payments to agricultural workers) computed on the basis of Maternity Fund tax payments. According thereto, wages and salaries paid during the first 9 months of 1943, amounting to 172,755,000 pesos, increased by 16 percent compared with 1942 and by 50.4 percent compared with 1941, when they amounted to 148,888,000 pesos and 114,903,000 pesos, respectively. While these increases reflect mainly higher wages and salaries they are indicative of some increase in employment throughout the Island.

ALCOHOL PRODUCTION

The mushrooming of the Cuban distilling industry which has increased its capacity from less than 20,000,000 gallons of alcohol annually in 1942 to a reported 88,000,000 gallons caused considerable comment and speculation. Many sugar companies were installing or plan to install distilleries at their mills and expect to derive substantial additional profits from the sale of beverage and industrial alcohol to the United States.

TOBACCO

The tobacco industry continued to prosper as a result of increased domestic consumption of tobacco products and heavy sales of leaf tobacco in the United States. Exports of tobacco products for the first 7 months of 1943 were 22.3 percent greater than the value of the exports in the corresponding period of 1942. Value of exports to the United States increased by 3.7 percent.

FOREIGN TRADE

Imports during the first 8 months of 1943 showed an increase of 16.1 percent in value compared with the corresponding period of 1942, with imports from the United States increasing by 11 percent. Imports from the rest of the Western Hemisphere, in the same period, also increased substantially. Exports during the 1943 period increased almost 50 percent, and exports to the United States increased by 44.6 percent.

FRUITS AND VEGETABLES

Exports of fresh vegetables in October were light and consisted only of squash and ginger root. Exports of fresh fruits amounted to about 20 percent of the September shipments, and less than 50 percent of the October 1942 shipments, and consisted of plantains, grapefruit, pineapples, and avocados.

Ecuador

Tariffs and Trade Controls

Surcharge of 50 Percent of Duty on Imports From Cuba Canceled.—The surcharge of 50 percent of the customs duty levied in Ecuador on imports from the Republic of Cuba was canceled by a resolution of the Ecuadorian Ministry of Finance, dated July 8, 1943. This surcharge on merchandise from Cuba had been in effect since April 23, 1940, in accordance with a provision of the Ecuadorian cus-

Air Service to Alaska Stepped Up to Daily Frequency

Daily plane service between the United States and Alaska has been inaugurated by Pan American World Airways—an increase from the former twice-weekly service.

Lockheed landplanes fly the 1,574-mile route between Seattle and Fairbanks in 12 hours and 20 minutes elapsed time. The increased frequency of flights means enlarged wartime service to passengers, mail, and express using this direct route.

The Alaska Division completed in September 10 years of scheduled commercial flying to and within Alaska, including flying on the Seattle-Fairbanks route, during which 33,272,922 passenger-miles were flown without accident.

toms law, under which a surcharge of up to 75 percent of customs duties would be applied on merchandise originating in countries having an export balance of more than 30 percent in their trade with Ecuador.

Eire

Transport and Communication

Railway Receipts.—Railway receipts in Eire totaled £142,985 in June 1943, compared with £128,349 in June 1942, according to the Irish press. Passenger, parcel, and mail receipts amounted to £69,760 and freight receipts totaled £73,226, against £53,474 and £74,875, respectively, in June 1942.

Railway Company Reorganized.—The Great Southern Railways Co. of Eire, which owns and operates 2,043 miles of the country's 2,492 miles of railways, announced reorganization plans late in October.

Government control would continue to be exercised through the chairman.

El Salvador

Tariffs and Trade Controls

Export Duty on Coffee Increased.—The export duty on coffee has been increased from 1.092 colones (\$0.437 U. S. currency) to 3.16 colones (\$1.264 U. S. currency) per quintal (101 pounds) to apply during the 1943-44 crop year ending October 31, 1944, under provisions of Salvadoran decree No. 77, published and effective November 12, 1943.

The decree further provides that during the last 15 days of October of each year the export duty on coffee will be fixed by decree for the following crop year (November 1 to October 31), in accordance with a table based on the spot quotation in the New York market for Santos (Brazilian) No. 4 on the date of the decree. If, however, during the month of October, the spot quotations for Santos No. 4 coffee should show a tendency to decline, a lower tax may be determined in an amount equivalent to a reduction of up to \$1.18 U. S. currency, in the spot per 100 pounds quoted for Santos No. 4 coffee, or if during October, the price in El Salvador for coffee in ripe berry, placed at the "beneficio" (mill), is higher than that appearing in an established table as approximately equivalent to the price of Santos No. 4 coffee quoted spot, a higher tax may be determined in an amount equivalent to an increase of up to \$1.18 U. S. currency, in the spot price per 100 pounds (46 kilograms) for Santos No. 4 coffee.

The decree also provides for the revocation of all fiscal and municipal taxes currently in force on coffee and coffee mills, and for the exemption of coffee growers from the payment of income tax on income derived directly and solely from the development of coffee-producing land.

[For announcement of the previous rate of export duty, see COMMERCE REPORTS of December 31, 1938.]

Exchange and Finance

Resumption of Payments on Foreign Debt.—Article 5 of decree No. 77, referred to above, provides for the application of the entire proceeds of the new tax on coffee exports to the payment of interest and amortization on the Salvadoran public debt, including the amount required to complete the reserve fund of 10,000,000 colones (\$4,000,000 U. S. currency) of the Mortgage Bank of El Salvador. Upon the complete liquidation of the debt the export duty will cease to be in force.

It is estimated that the proceeds of the tax during the current coffee year will amount to between \$1,500,000 and \$1,600,000. Details as to the application of these funds to the various debts to which they are assigned will be determined by negotiation.

The public debt of El Salvador on April 30, 1943, amounted to 52,162,000 colones, or about \$20,865,000. Details are shown below:

Funded:	Thousand colones ¹
Customs first lien external 5½ percent (formerly 8 percent), series A.....	10,089
Customs lien sterling, 4 percent (formerly 6 percent), series B.....	12,623
Customs lien 3½ percent (formerly 7 percent), series C.....	22,694
Four-percent deferred-interest certificates series C.....	635
Export-Import Bank.....	878
Floating.....	5,243
Total.....	52,162

¹ 1 colon=40 cents U. S. currency.

The Republic defaulted on its series A, B, and C bonds in 1932. In 1933 an adjustment was made whereby coupons maturing between the date of default and January 1, 1935, were paid partly in cash and partly in scrip. After the latter date default again occurred. In April 1936 a plan was announced providing for the permanent reduction of interest on the 8's to 5½ percent, on the 6's to 4 percent, and on the 7's to 3½ percent. These payments were continued to assenting bondholders until they were suspended in accordance with a decree of November 27, 1937.

France

Tariffs and Trade Controls

Unshelled Walnuts: Special Sales Tax Reduced.—The special sales tax collected in France on walnuts in the shell, to cover the expenses of the Intertrade Group of French Oilseeds, was reduced from 30 to 20 francs per 100 kilograms, by an order of April 20, 1943, published in the Journal Officiel (Vichy) of May 8.

[See FOREIGN COMMERCE WEEKLY of March 20, 1943, for announcement of establishment of this tax.]

Paris Sales Tax Doubled.—The local tax on retail sales, for the benefit of the city of Paris and other towns of the Seine Department, was increased from 0.50 percent to 1 percent effective from August 1, 1943, by the law of July 2, 1943, which abolished the Paris octroi tax, also



effective from August 1, 1943, according to Les Nouveaux Temps of August 20.

[This local sales tax had been established at 0.25 percent on January 1, 1942, and increased to 0.50 percent by an order of January 14, 1943. See FOREIGN COMMERCE WEEKLY of November 20, 1943, for previous announcement.]

French North Africa

Tariffs and Trade Controls

Tobacco Products: Excise Taxes Increased in Algeria.—The Algerian excise taxes on manufactured tobacco of foreign or domestic origin were increased, by a decree of September 30, 1943, published in the Journal Officiel de la République Française of October 9.

The new basic tax, including the single tax, is fixed at 50 francs per kilogram on all classes of manufactured tobacco. This tax was formerly 30 francs on cigars, 44 francs on cigarettes, 39.50 francs on pipe tobacco, and 20 francs on chewing tobacco and snuff.

The new ad valorem taxes, based on the retail price per kilogram, tax included, varying as before according to the grade and kind of tobacco, are as follows (former rates in parentheses):

1. Cigars: 40 percent of that part of retail price exceeding 50 francs and up to 600 francs, and 50 percent of that part of retail price equal to or exceeding 500 francs (formerly 15 percent, 30 percent and 40 percent, according to price).
2. Cigarettes: 60 percent of that part of retail price exceeding 50 francs and up to 1,000 francs, and 80 percent of that part of retail price equal to or exceeding 1,000 francs (formerly 50 percent and 55 percent, according to price).
3. Pipe tobacco and snuff: 50 percent of that part of retail value exceeding 50 francs (formerly the same).

4. Chewing tobacco: 40 percent of that part of retail price exceeding 50 francs (formerly 50 percent of that part of price over 50 francs).

Woolen Carpets and Rugs: Export-License Tax Fixed in Tunisia.—An export-license tax has been fixed on woolen carpets and rugs, exported from Tunisia to any destination, by an order of December 10, 1942, published in the Journal Officiel Tunisien of January 7, 1943 (just received), and effective retroactively from December 6, 1941.

The amounts of this tax were fixed at 100 francs per net kilogram for woolen carpets and rugs of Tunisian manufacture, knotted or not, on which the special export mark "Tunisia" is permitted, and for those of Algerian or Moroccan manufacture; and at 160 francs per net kilogram for other woolen carpets or rugs (Orientals, Persians, and similar classifications).

Export-License Taxes on Certain Products Fixed in Tunisia.—Export-license taxes have been fixed on turtles, raisins, orange peels, essence of orange-flower water, and dehydrated onions, exported from Tunisia to any destination, by an order of December 10, 1942, published in the Journal Officiel Tunisien of January 7, 1943 (just received).

The new rates, in francs per 100 kilograms, net weight, and the retroactively effective dates are as follows:

Dried raisins, 150, effective from November 28, 1941; orange peels, 400, effective February 2, 1942; turtles, 100, effective March 14, 1942; essence of orange-flower water, 8,000, effective June 16, 1942; and dehydrated onions, 1,800, effective October 30, 1942.

Petroleum Products: Special Sales Tax Fixed in Tunisia.—The amount of the special sales tax, which the Organization Committee for Petroleum and Derivatives is authorized to collect in Tunisia, has been fixed uniformly at 10 francs per hectoliter or per 100 kilograms of petroleum products sold, effective from February 10, 1943, by an order of February 21, published in the Journal Officiel Tunisien of February 27.

Hogs: Operation of Distribution Office in Tunisia Suspended.—The operation of the Office for Distribution of Hogs in Tunisia, which was created by an order of November 23, 1941, was suspended on January 15, 1943, until further notice, by an order of January 15, published in the Journal Officiel Tunisien of February 18 (just received).

Gambia

Exchange and Finance

Fiscal Operations Result in Large Surplus.—The Colony of the Gambia concluded the fiscal year 1942 with a surplus of more than £112,000. Far exceeding the original budget estimates, actual revenue totaled £407,800 and expenditure £295,000. Compared with 1941, revenue increased 65 percent and expenditure increased 42 percent.

Revenue derived from customs again proved to be the greatest source of income, yielding almost £226,000. Taxes and rates yielded £81,500, compared with

Papers Stickers Replace Ontario License Plates

The Minister of Highways of the Province of Ontario, Canada, has announced that paper windshield stickers will be supplied to vehicle owners in 1944 in place of steel automobile license plates. The 1943 plates will, however, be kept on all cars. The Steel Controller's prohibition of the use of steel for license plates has made this innovation necessary.

The license number on the new stickers will not correspond with the present number, but both will be entered on the driver's license. The Department of Highways anticipates a financial saving from the operation of this scheme.

only £26,500 derived from this source in 1941.

Largest items of expenditure were miscellaneous services £60,600 medical and health services £43,800, and public works £45,000.

Almost £315,000 was appropriated for the expenditures of the Gambia in 1943, this amount exceeding the 1942 estimates by £96,700. The largest appropriation was £53,600 for war services (special) while medical and health services received £52,400.

The Legislative Council is reported to have made an interest-free loan of £25,000 to the United Kingdom Government.

India

Wartime Commodity Controls

Change in Cloth Control Order.—Cloth dealers in India have been given an additional 3 months in which to dispose of unmarked cotton piece goods manufactured before August 1. The original Cotton Cloth and Yarn (Control) Order, issued in June, required that such cloth be sold by October 31; the extension now allows dealers until December 31, 1943.

[For announcement of the original Cloth Control Order, see FOREIGN COMMERCE WEEKLY of August 7, 1943.]

Movement of Cotton Cloth Placed Under Control.—A Cotton Cloth Movement Control Order was issued in India on October 23 which provides that no person shall offer for transport by rail or cause to be transported by rail any cotton cloth except under (a) permit issued by the Central Government, or (b) special permit issued by the Textile Commissioner and countersigned by the Regional Controller of Railway Priorities, Bombay, on a prescribed form. This order does not apply to transport by rail of cotton cloth of less than 1½ maunds (123.43 pounds) by a railway passenger as a part of his luggage.

The new order adds another restraint to black-market sales of cloth.

Exchange and Finance

New Series of Post Office Savings Certificates.—According to the Gazette of India, dated September 4, 1943, the issuance of post office 10-year defense savings certificates which was announced in June 1940 was to cease on September 30. On October 1 a new series of Post Office 12-year national savings certificates went on sale at all post offices doing savings bank work.

Issued at 10, 50, 100, 500, and 1,000 rupees, available to any one person to a total of 5,000 rupees, they offer a means of saving for the small investor. Provision is made whereby educational institutions may purchase national savings certificates on behalf of students out of their savings or prize money. Provincial governments may purchase them on behalf of their teachers' provident fund, and firms may buy them on behalf of their employees.

The certificates are not cashable until the end of the third year from the date of issue, except in the case of death of the holder, after which time they may be cashed with the addition of a prescribed amount of interest.

Mexico

Tariffs and Trade Controls

Production Tax Established on Textiles.—A tax on the production of machine-woven or knitted textiles of cotton, silk, rayon, and wool, ranging from 2 percent to 5 percent of value, has been established by a Mexican Executive decree, published November 5, 1943, and effective 10 days later.

The new tax rates are as follows: On cotton textiles, 5 percent of value; on cotton textiles containing other fibers, 4 percent of value; on textiles of silk or rayon, alone or mixed with fibers other than cotton, 3 percent of value; on textiles of wool, alone or mixed with fibers other than cotton, silk, or rayon, 2 percent of value; and on made-up articles, such as notions, haberdashery and similar products, made of cotton, wool, silk or rayon, 2 percent of value.

The tax will be levied on the manufacturers' price and will be collected at the time of first-hand sales. Textiles exported will not be subject to this tax, and a period of 180 days will be granted to domestic merchants to dispose of stocks manufactured prior to enactment of the law.

Nicaragua

Economic Conditions

Rainfall in September counteracted the anticipated shortage of foodstuffs in Nicaragua to the extent that sufficient quantities of corn and beans are assured for home consumption. Coffee exports, however, fell below those of the preceding season, and growers were apprehensive that the higher wages for labor, together with the increased cost of farm

implements and food, would leave them little profit. Although imports registered an increase over September 1942, foreign trade dropped off sharply compared with August as a result of the continued lack of shipping and a seasonal decline in exports. Despite a shortage of materials and supplies, the gold mines increased their output over August by more than 40 percent. There was no noticeable decline in the cost of living, and prices of some fresh fruits and vegetables even showed an increase.

AGRICULTURE

The United States coffee quota allotted to Nicaragua for the 1942-43 season was unfilled by a wide margin. The 1943-44 crop is estimated at between 220,000 and 240,000 bags of 60 kilograms each, which is considered to be only a fair crop. Producers are concerned over the low market price of coffee and the increased cost of production. In addition to paying higher wages, most growers supply their workers with food, the cost of which has increased about 50 percent during the past year. Prices of hand tools are at least 40 percent higher, railway freight rates from Managua to the port of Corinto were recently raised 20 percent, and trucking rates are considerably higher.

Sugar production during the past refining season was reported to be approximately 27,000,000 pounds, which is about 20 percent more than for the 1941-42 season. The second crop of corn and beans has been planted and appears to be progressing well. No appreciable deficit in the rice crop is expected during 1944, as was feared a month ago. Although not more than 11,283 acres are planted in rice under bank loan, it is believed that this acreage represents only 10 to 15 percent of the total area in Nicaragua under rice cultivation. It is expected that approximately 9,500,000 pounds of sesame seed will be harvested during December 1943 and January 1944, which compares with an estimated yield of 8,950,000 pounds from last year's crop. Growing conditions for cotton are reported to be generally good, and the 3,273 acres of land authorized to be sown in cotton should yield about 325 pounds per acre if no adverse factors are encountered.

MINING AND CONSTRUCTION

The gold mines, which had been threatening to close because of lack of equipment and supplies, produced more gold in September than in any other month of this year, even exceeding August 1942.

A subsidiary of the Gulf Oil Co. started petroleum prospecting on the east coast of Nicaragua, near Puerto Cabezas. The well was reported to have reached a depth of 3,500 feet.

Notice was received in September that work on the nearly completed Pan American Highway would be discontinued on November 1. It was reported, however, that the Nicaraguan Government would continue construction, provided the necessary equipment could be obtained.

Building construction continued at a moderate rate and materials appeared to

be sufficient to meet the demand. A modern public slaughterhouse will be built soon at the port of Corinto.

INDUSTRY

A new bakery, equipped with modern machinery, was to be opened in Managua, according to reports.

Match production during August and September dropped to about half that in 1942 because of a shortage of potassium chlorate. Production of cement had also been reduced almost 50 percent because of lack of necessary equipment.

The local bottling plant which has the agency for a well-known American brand of soft drinks has been so successful that competing plants have bought up large quantities of its special bottles at the high price of 12 cents (U. S. currency) each.

FOREIGN TRADE

Imports during September registered a greater decline, compared with August, than exports. The principal items coming into the country were fuel oil from Aruba; flour, hardware, iron, pipe, wire, nails, cotton goods, chemical, drug, and pharmaceutical products, cement, asphalt, paper, and automobile parts from the United States; glassware, chemicals, paper, and cotton goods from Mexico; asphalt from El Salvador and whiskey and tobacco from Guatemala. Exports consisted principally of small quantities of deer skins, rubber, nispero gum, lumber, coffee, and empty drums for the United States; corn for Mexico, and live cattle for Panama.

PRICES AND COST OF LIVING

Farm land along the Pan American Highway has been increasing rapidly in value, prices having risen from five to ten times during a period of from 1 to 4 years, except near the northern boundary. Land for building purposes near Managua, the capital and largest city, and other cities and town along the highway has also advanced in price.

Preliminary figures of a new cost-of-living index, not yet released, reveal that from 100 in 1939 food prices in Managua rose by the end of August to 226.9, rents to 169, fuel to 138, and drugs to 278.5.

EMPLOYMENT

No unemployment existed during September, and the demand for skilled labor remained high. It was believed that laborers released from work on the Pan American and other highways would be absorbed in picking the new crop of coffee, which started in October.

Paraguay

Wartime Commodity Controls

Meat: Maximum Retail Prices Announced.—The current maximum retail prices of meat (as published in the three leading daily newspapers of Asuncion, Paraguay) for sale in public and in privately owned markets, respectively, are as follows: Tenderloin, 35 centimos per kilogram and 36 centimos per kilogram; loin, 32 and 33 centimos; top round steak, 28 and 29 centimos; bottom

round steak 21 and 22 centimos; stew meat, 19 and 20 centimos; assorted stew meat, 16 and 17 centimos; and roast, 28 and 29 centimos.

Peru

Tariffs and Trade Controls

Quinine Sulphate Tablets: Manufacture, Importation, or Sale of Certain-Size Tablets Forbidden.—Quinine sulphate tablets or pills manufactured, imported, or sold in Peru must have a content of not less than 0.2 net grams or be subject to confiscation by the Inspectorate General of Pharmacy, according to a Peruvian Government decree dated November 6, 1943.

Pharmaceutical Products: Registration Period Extended.—The period designated for the registration of domestic and imported pharmaceutical specialties in Peru under the new regulations of August 27, 1943, has been extended to January 27, 1944, for products of Peruvian manufacture and to February 27, 1944, for imported products, according to a decree promulgated November 9, 1943. After these dates, the analysis fees collected for the registration of each pharmaceutical specialty will be increased 20 percent during the first 30-day period and 50 percent during the subsequent 60 days.

The filing of application for registration will permit the continued sale of the product even though delay in granting the application should occur.

[See FOREIGN COMMERCE WEEKLY issue of October 30, 1943, for previous announcement of pharmaceutical regulations.]

Southern Rhodesia

Economic Conditions

The minister of Native Affairs in Southern Rhodesia has appointed a Committee of Inquiry to investigate the wages and living conditions of Africans employed in urban areas according to the Government Gazette of August 20, 1943.

The Committee is to investigate the sufficiency of wages, to report on the minimum amounts which should be paid by employers as wages and as living expenses, and generally is to report upon the economic, social, and health conditions of Africans in urban areas of the Colony.

Sweden

Tariffs and Trade Controls

Rayon- and Staple-Fiber Fabrics: License Control Applied to Imports.—The importation into Sweden of all textile fabrics containing rayon or staple fiber has been made subject to license control, effective from July 3, 1943, according to reports published in the Swedish press. It is assumed in Sweden that this measure is part of a general effort to regulate prices of imported commodities.

Clearing Agreement With Turkey Terminated.—Clearing arrangements be-

tween Sweden and Turkey have been terminated, as announced by a Swedish Government proclamation of August 30, 1943, effective from the following day, which canceled a proclamation of June 22, 1934, by which this clearing was established in Sweden.

Since March 1, 1940, trade between the two countries has been principally on a compensation basis. The trade agreement between the two countries expired on February 28, 1941. Since the latter date clearing activities have been concerned principally with the liquidation of the balance then existing.

[See COMMERCE REPORTS of October 13, 1934, May 23, 1936, and April 27, 1940, for announcements concerning trade and clearing agreements between Sweden and Turkey.]

Transport and Communication

Air Traffic Increases.—Air traffic between Sweden and foreign countries was heavier in August than in the corresponding month in 1941 and 1942, states the foreign press. Arrivals in August 1943 totaled 146; departures, 150. Figures for the comparable month in 1942 were 133 and 135, respectively, and for August 1941, 118 each way.

Bridge to Connect Oland With Mainland Planned.—The island of Oland on the east coast of Sweden has a narrow-gauge railway running from north to south, but no train-ferry link to the mainland. To carry traffic from the island over the Kalmar Sound to Kalmar, plans are being made for a bridge to cost approximately 20,000,000 crowns, states a foreign transportation publication.

Switzerland

Transport and Communication

Railway Operations.—A record working surplus was attained by the Bern-Lötschberg-Simplon Railway Co., in Switzerland in 1942, states a foreign railway publication, and working receipts (Continued on p. 33)



Courtesy Office of War Information

News by COMMODITIES

Chemicals

CANADIAN SALT PRODUCTION

Canadian salt output in 1942 was the highest ever reported by the industry, says a Dominion chemical publication. Production amounted to 653,672 net tons, valued at \$3,855,187. Ontario produced 558,407 tons, or 85 percent of the total, and the remainder came from Nova Scotia, Manitoba, and Alberta. With the exception of Nova Scotia, where salt is obtained entirely from underground mining of rock-salt deposits, the output was recovered from brine wells.

Salt producers consumed 50 percent of the total production in the manufacture of caustic soda and other chemicals. Sales included 87,743 net tons of table and dairy grades, 150,000 tons of common fine, and 35,271 tons of common coarse. The remainder was used principally for agricultural purposes and highway maintenance.

CANADIAN PRODUCTION OF WAR CHEMICALS AND EXPLOSIVES

Canada will have produced more than 1,000,000 tons of war chemicals and explosives by the end of 1943, says the Munitions Minister.

A wide range of explosives and a wider range of chemical intermediates and constituents are now turned out by Canadian factories. More than 70 types of military pyrotechnics are being made.

EXPERIMENTS IN PLASTICS PRODUCTION, CEYLON

Experiments in the production of plastics from residue material left from acetic-acid manufacture have been carried out successfully by the Industrial Laboratory of the Ceylon Department of Commerce, the foreign press reports.

This plastic material, which has been used extensively in some countries in the manufacture of plywood, is said to compare favorably with imported plastics. It is hoped to conduct further experiments at the plywood factory at Gintota.

FERTILIZER SITUATION IN CHILE

The present demand in Chile for increased production of food, feedstuffs, and fibers, both for domestic use and for export, has emphasized the existing fertilizer shortage.

Chile is the world's principal source of natural sodium nitrate, but it does not possess large supplies of other fertilizers, and land exhaustion is threatened in areas in the south-central and southern parts of the country. Before the war, substantial quantities of fertilizers were imported from abroad; these included potash, principally from Germany, and phosphate fertilizers. Imports were sharply reduced with the outbreak of war and stock piles of these materials are low.

Fertilizer production in Chile has declined from a total (excluding sodium nitrate) of 150,000 tons in 1941 to 112,000 tons in 1942. The 1943 figures are expected to be even less favorable because of the shortage of raw materials and the lack of shipping space. Phosphate output will probably be 30 percent lower this year than last. Since Chile's normal annual requirements are approximately 360,000 tons of phosphate fertilizers, 400,000 tons of lime, and 200,000 tons of nitrate, the problem has become increasingly serious.

The agricultural associations have proposed a program for immediate action and for the development of a long-range policy. It has been suggested that the distribution of fertilizer allotments be placed in the hands of the agricultural societies and that they be allowed to finance sales to farmers over long periods. The establishment of freight priorities for fertilizers and fertilizer materials between production and manufacturing centers is requested. The associations have also urged that phosphate factories be asked to increase their output substantially.

The permanent program advocates improved methods for the exploitation of the guano beds in northern Chile, granting of credit for extended periods by the Fomento Corporation and the Agrarian Credit Bank for the construction of storage space for guano, establishment of new phosphate works, and greater utilization of the lime beds in central and southern Chile.

EXPERIMENTS WITH BAGASSE, INDIA

The Forest Institute, Dehra Dun, India, has recently conducted experiments with bagasse, a British technical publication reports.

It has been found suitable as a filler in the manufacture of synthetic molding powders and can be used for a wide range of low-cost plastic products. Coal-black,

noncombustible plastics produced from this material have a high tensile strength (about 13,000 pounds per square inch), it is stated.

Tests have already been made by the Scientific and Industrial Research Council on the production of synthetic powders from bagasse, coffee beans, oilseed cake, jute waste, and horn waste.

SULFUR EXTRACTION, BALUCHISTAN, INDIA

Quantities of sulfur sufficient for industrial use can be obtained from the extinct Kohisultan volcano in Baluchistan, India, says a British technical publication.

Sulfur extracted from ores having a 50-percent content has been supplied to industry, it is stated.

SALT IMPORTS INCREASED BY NEW ZEALAND

New Zealand's imports of salt more than doubled in value during the first 6 months of 1943, compared with the corresponding period in 1942, according to published New Zealand customs statistics.

Imports of salt in the period January to June 1943 amounted to £NZ80,070; they totaled £NZ38,876 during the first 6 months of 1942.

IMPORTS INTO NICARAGUA

There has been a large increase in the value of chemicals, pharmaceuticals, simple drugs, and products imported from Mexico by Nicaragua between the years 1938 and 1943, according to information from reliable sources. Value of shipments rose from \$1,668 in 1938, \$3,152 in 1939, \$9,017 in 1940, and \$21,168 in 1941 to \$28,736 in 1942. It is indicated that imports of these products for the first 9 months of 1943 may reach \$300,000. This amount for the first three quarters of this year would be almost 180 times that of the entire year of 1938 and approximately 30 times the value of all imports into Nicaragua from Mexico 10 years ago.

SWEDEN'S IMPORTS

Sweden's imports of potash salts, principally from Germany, increased somewhat in 1942, according to published preliminary statistics.

Potash imports amounted to 87,174 metric tons, compared with 60,525 in 1941. This quantity, however, is considerably below the pre-war figure—imports in 1939 totaled 116,738 tons.

Calcium nitrate imports, principally from Norway, dropped to 104,426 metric tons in 1942 from 127,474 tons in 1941.

Imports of sodium carbonate and bicarbonate and calcium chloride declined only slightly.

CHEMICAL-RESEARCH PROGRAM ON COAL TO BE EXPANDED IN U. K.

The United Kingdom's present chemical-research program on coal is to be

Wood in Britain's Fighting Planes

Wood is important in the construction of 41 different types of British aircraft and makes up approximately one-third the weight of all British planes.

Most of the wood used comes from the United States and Canada. All of the well-known British fighting planes (Stirlings, Wellingtons, Lancasters, Whitleys, Beaufighters, Blenheims, Halifaxes, and others) contain wood from North America. Even the tires contain rayon thread produced from wood cellulose.

considerably expanded, says the British press.

Colliery owners will provide an additional £400,000 to £500,000 toward the cost of this extension during the period ending in 1945. Plans already in operation involve the expenditure of £1,000,000 in the current 5 years.

The extended program will deal with the development of processes for producing hydrocarbons and hydrocarbon derivatives from coal and with the use of coal generally as a chemical raw material, it is stated.

Coal, Coke, and Charcoal

CANADIAN COAL AND COKE PRODUCTION

Coal production in Canada in the first 8 months of 1943 is officially reported at 11,588,000 tons. Output in August 1943 amounted to 1,426,000 tons compared with 1,366,000 tons in July 1943 and 1,458,000 tons in August 1942.

Output of coke in the January to August 1943 period totaled 2,192,000 tons. August output amounting to 314,000 tons compared with 308,000 in July 1943 and 274,000 in August 1942.

COMPANY FORMED IN FRANCE TO PURCHASE AND DISTRIBUTE CHARCOAL

A company for the purchase and distribution of fuels for gas producers has been formed in France, with a capital of 1,000,000 francs, says a British source. The company is authorized to buy charcoal from producers and distribute it among retailers who are members of the company on a nonprofit basis, and to hold stocks of these fuels if necessary.

COAL PRODUCTION, SCOTLAND, U. K.

A 14-percent drop in the output of coal from Scotland, United Kingdom—from 30,528,900 tons in 1939 to 26,188,000 tons in 1943—is reported by the foreign press. This represents decreases of 5½ percent in manpower and 9 percent in the average output per man.

A further downward trend is seen in the June-August 1943 period when there was an average decline of 25,000 tons a week compared with the corresponding period of 1942. If this trend continues, the result will be a drop of about 1,750,000 tons this year, or about 20 percent less than the 1939 output.

Construction

PROJECTS IN CHILE

A six-story multi-family unit built at a cost of 4,238,000 pesos was inaugurated in Valparaiso, Chile, early in October. The unit has 44 apartments. The Chilean press states the building has no stairways nor elevators, but instead has a gently sloping ramp. This eliminates the need of elevators which are difficult to obtain at this time.

The sum of 20,000,000 pesos is to be expended in various towns in Chile for

Sawdust As Motor Fuel: They Say It Works Well

An Ontario forest-patrol and fire-fighting boat, using a gas producer, operated for a period of 50 hours on sawdust without any ill effects to the machinery, says a Canadian publication.

Consumption of sawdust averaged from one to three bags an hour, depending upon the speed at which the motor was run, whereas the boat previously had burned 3 gallons of gasoline an hour.

The test was one of a series recently made by Ontario's Provincial Department of Lands and Forests.

popular housing projects. These include: 5,000,000 pesos for a project in the coal town of Lota; 5,700,000 pesos for construction of 287 dwelling houses and a store along the broad Pedro Aguirre highway running from the commercial airport into Santiago; 1,700,000 pesos for two housing projects in Valparaiso; 800,000 pesos for 48 dwellings for the men who exploit the river sands of the Mapocho River in Santiago; 3,500,000 pesos to continue the housing project in Concepcion which will have 116 houses and 8 stores; 1,000,000 pesos for a 30-dwelling project in Arica; and 1,300,000 pesos to build 50 wooden houses of two stories each in the fire devastated town of Curacautin.

A total of 1,000 dwelling houses for workers is planned by the municipality of Vina del Mar, states the Chilean press. Temuco, in the Province of Cautin, is considering the construction of 90 dwelling houses at an approximate cost of 4,000,000 pesos.

La Ciudad del Niño (the Children's City) is an interesting project being built some 5 or 6 miles from Santiago, Chile, under the auspices of the Consejo de Defensa del Niño (Council for the Protection of the Child). This home for Chile's orphaned children is being constructed on the lines of a small town on

an 80-acre tract of land. The project has been under construction for 4 months, and present plans are for it to be officially inaugurated just before Christmas of this year.

Plans call for 30 houses to care for 50 children each. Fourteen dwelling units are now under construction; each with a large living room, a dining room, and dormitory facilities. In addition to the dwelling units, there will be primary, secondary, and industrial schools, a hospital, medical centers, library, theater, lands for cultivation, swimming pool, track, football, and basketball fields, and tennis courts. So far, the project has cost 7,000,000 pesos.

Each unit is to be named for an American republic and the city itself is to be called Presidente Rios, in appreciation of the assistance that has been accorded the project by the President of Chile.

A new customhouse, the first building in Los Andes, Chile, to have air conditioning, was inaugurated October 23. It is a two-story structure and is reported to have cost more than 1,000,000 pesos.

The sum of 3,000,600 pesos has been earmarked for the construction of a new building to house Chile's Meteorological Institute.

President Rios, on October 8, laid the cornerstone for new buildings for Chile's Military Academy, and the sum of 5,000,000 pesos has been authorized for the construction of an Argentine Embassy. The former Embassy, which was also a gift from Chile, burned almost to the ground several months ago.

PROCEEDS OF RAILWAY SALE TO BE SPENT ON PUBLIC WORKS IN CHILE

Proceeds of the sale of the Caleta Buena-Negreiros Railway in Chile, estimated at about 5,000,000 pesos, are to be invested in public works in the Province of Tarapaca. Equipment of the railway was turned over to the Iquique-Pintados Railway.

Electrical Machinery and Equipment

BATTERY SALES INCREASE IN CANADA

Electric storage batteries and parts sold by principal Canadian manufacturers in the second quarter of 1943 were valued at \$2,164,541, the British press reports. This was an increase over sales in the preceding quarter (\$1,959,432) and also over the corresponding quarter of 1942 (\$1,380,480).

COLOMBIA MANUFACTURING PLASTICS FIXTURES

Electric-light switches, plugs, and other electrical fixtures, which have been in short supply in Colombia, are being fabricated in the plastics division of a factory in Medellin. Prior to the war, this company was engaged primarily in manufacturing aluminum articles.



U. S. Department of Agriculture

Try a Little Synthetic "Austerity"!

The London press recently carried accounts of an *all-synthetic* dinner, served in Lausanne, Switzerland. It was an "austerity meal" of three courses. The hors d'oeuvre consisted of chemically treated cellulose, flavored with coal-tar byproducts. "Meat" made from wood pulp, with synthetic gravy, formed the main course. The dessert was flavored with vanillin derived from coal, and the cream was made from cellulose of the same type as the hors d'oeuvre.

The chemists who produced the food, and who were hosts at the dinner, are convinced that the Swiss will not go hungry if food imports are cut off. They also say that the dinner cost considerably less than if natural foods had been served, but that the nutritive value was the same.

LIMITATIONS ON ELECTRIC SERVICE, INDIA

Many generating stations in India have reached their maximum safe-level loads, the foreign press states. The Central Electric Power Control Board, as a result of this, has ruled that electric companies may discontinue service to consumers who, without special permission, exceed the authorized limit or the highest maximum demand during the 12 months ended January 31, 1943, or have connected load beyond that notified.

ELECTRIC-POWER SITUATION IN NEW ZEALAND

The Electric Power Board's and Supplies Authorities' Association of New Zealand recently reported that there was an immediate shortage of 55,000 kilowatts and a likelihood of further demand in 1944 and 1945. To allow for the connection of new load, the Board believes it may be necessary to reduce the hours of broadcasting, to control water heaters, to prohibit the sales of certain appliances, and possibly to introduce compulsory rationing.

While part of the Upper Waikaremoana development may be in operation by 1945, the whole plant will not be operating until 1946. By 1947 the Karapiro development may be available.

This year's South Island network system peak, in excess of 103,000 kilowatts, had used all principal plants to the limit of their resources. An anticipated increase of 9,000 kilowatts next year would be beyond supply conditions.

NEW ZEALAND'S IMPORTS OF ELECTRICAL APPARATUS

Electrical apparatus imported into New Zealand in 1942 totaled £NZ1,941,206 (\$6,223,506) compared with £NZ2,166,754 (\$6,946,613) in 1941. The value of metal poles used in electrical transmission lines declined from £NZ33,420 in 1941 to £NZ3,384 in 1942; electrical cooking and

heating appliances dropped from £NZ44,410 to £NZ13,505; and electric irons decreased from £NZ1,870 to £NZ683.

Among the few classes of electrical imports which showed an increase in 1942 were: Electrodes for arc lamps, exceeding the previous year by £NZ19,349; radio telephony apparatus by £NZ65,047; and electric motors and parts by £NZ10,614.

The following table shows, by quantity and value, electrical apparatus imported into New Zealand during the calendar years 1941 and 1942.

Item	1941		1942	
	Quantity (number)	Value (£NZ)	Quantity (number)	Value (£NZ)
Batteries and cells:				
Storage batteries.....	5,220	10,271	3,799	13,103
Parts of storage batteries.....		35,437		19,530
Batteries and cells, not including storage batteries.....		9,196		7,775
Carbons for arc lamps and similar items.....		3,758		6,453
Cooking and heating appliances:				
Electric ranges.....	867	15,747	78	2,354
Other electric cooking and heating appliances.....		28,663		11,151
Electric appliances, n. e. i. (peculiar to electrophilating, and so forth).....		27,535		14,903
Electrodes for arc lamps, and so forth.....		18,998		35,347
Insulated cable and wire.....		482,498		363,675
Insulating materials, n. e. i.....		51,413		49,528
Incandescent filament lamp bulbs.....	2,380,520	80,673	2,137,256	85,393
Electric lamps, n. e. i., other than surgical.....		37,815		20,936
Metal poles used in electrical transmission lines.....		33,420		3,384
Electric motors and parts.....		222,164		232,778
Telegraphy and telephony apparatus peculiar thereto:				
Radio receiving sets mounted in cabinets.....	150	1,341	52	460
Radio receiving sets, built up but not mounted in cabinets.....	17	153	411	301
Tubes for radio receiving sets.....	587,892	104,390	393,608	89,195
Radio telephony, other apparatus peculiar thereto.....		110,262		175,309
Telegraphy and telephony (other than radio) and apparatus peculiar thereto.....		50,531		70,930
Electric irons.....		1,870		683
Insulators.....		7,041		4,172
Other electrical apparatus.....		824,579		730,756
Grand total.....		2,166,754		1,941,206

SWEDEN'S POWER-DEVELOPMENT PROGRAM

Sweden's Waterfalls Board has requested 35,200,000 crowns, plus a supplementary 5,600,000 crowns, as a budget allowance for the fiscal year beginning July 1, 1944, the foreign press states. The following allotments are included: 7,000,000 crowns for a station at Namskogsforen; 2,000,000 crowns for a power station on the Forsmoforsen; 1,000,000 crowns for enlarging the Porjus plant; 700,000 crowns for the Leringsforsen sta-

tion; 1,000,000 and 2,000,000 crowns, respectively, for the regulation of the water supply from lakes fed by the Ängermanälven and Indalsälven Rivers; and 15,000,000 for extension of the power-distribution system.

The supplementary allowance requested will be divided as follows: 1,750,000 crowns for continuation of the work on the Torpshammer station; 400,000 crowns for the Højum station at Trollhätten; 2,000,000 crowns for the Midskogsforsen station; 800,000 crowns for the regulation of the water supply from the Holmsjön and Leringen lakes; and 650,000 crowns for increasing the height of the Suorva dam.

Foodstuffs and Allied Products

SUGAR AND RICE PRODUCTION IN BRITISH GUIANA

Production of the two leading agricultural products of British Guiana, sugar and rice, showed marked improvement in 1942 over returns for the preceding years, according to the foreign press.

About 192,000 tons of sugar were produced during 1942 but, because of the lack of shipping facilities, only 134,530 tons were exported compared with 154,361 tons in 1941. Exports of both rum and molasses decreased in 1942, totaling 913,065 proof gallons and 3,096,605 gallons, respectively, against 1,320,736 proof gallons and 5,440,746 gallons in 1941.

Exports of rice increased about 65 percent as this commodity could be moved in small vessels to the British West Indies. In 1942 exports totaled 50,354,161 pounds, while in 1941 19,852,982 pounds were exported.

EXPORTS FROM TRINIDAD, B. W. I.

The value of agricultural exports from Trinidad, British West Indies, amounted to \$7,941,000 in 1942, a decrease from \$10,297,000 in 1941, according to the published report of the Director of Agriculture. Sugar accounted for more than one-half of the decline of \$2,356,000; shipments of that commodity decreased by \$1,504,000.

Coffee and Tea

ECUADORAN COFFEE CROP

Coffee deliveries at the port of Guayaquil, Ecuador, during October 1943 amounted to only 15,300 quintals of 101.4 pounds each, compared with 22,000 quintals during September 1943, indicating that the peak of the Ecuadorian coffee harvest has passed.

It is estimated that at least 60 percent of the coffee delivered at Guayaquil during October originated in the Province of Manabi, one of the principal coffee-growing provinces of Ecuador. Practically all of the coffee harvested in the Provinces of Los Rios and El Oro has been marketed. It is claimed that the coffee harvested in the Province of Los Rios would have yielded an additional

80,000 quintals were it not for the shortage of labor.

Coffee exports from the ports of Guayaquil and Manta during October 1943 amounted to 25,253 bags of 60 kilograms each, according to an unofficial source, compared with 20,335 bags in October 1942.

October wholesale quotations on first-grade coffee suitable for export, compared with quotations for October 1942, are as follows:

Quotations	Value	
	October 1942	October 1943
Average	Per pound \$0.078	Per pound \$0.081
Maximum	.081	.085
Minimum	.065	.058

U. S. currency.

ECUADORAN COCOA CROP

Cocoa deliveries at the port of Guayaquil during October 1943 were heavier than anticipated and for that reason it is now believed that the 1943 crop will exceed that of 1942 by from 25 to 50 percent.

Cocoa deliveries at Guayaquil during the first 10 months of 1943 increased by 96,998 quintals, or 38.5 percent, compared with the corresponding period of 1942.

Quantities of the various types of cocoa delivered at Guayaquil during October 1942 and 1943 and cumulative figures for the first 10 months of 1942 and 1943 (January 1 to October 31) were as follows:

[In quintals of 101.4 pounds]

Grade	October		January 1 to October 31	
	1942	1943	1942	1943
Arriba	3,085	4,406	139,029	206,461
Machala	8,183	9,702	51,100	59,636
Other	5,406	8,051	61,741	82,771
Total	16,674	22,159	251,870	348,868

Cocoa exports from Ecuador during October 1943 amounted to 1,312,415 kilograms (1 kilogram=2.2046 pounds) valued at \$253,082, according to an unofficial source, compared with 482,898 kilograms, valued at \$92,314, in October 1942.

TEA PRODUCTION, KENYA

Tea production in Kenya, British East Africa, amounted to 16,260,209 pounds in 1942, about 2,000,000 pounds more than 1941 production, according to the foreign press.

COFFEE-EXPORTERS GROUP FORMED IN TANGANYIKA

A mild-coffee exporters group is being formed in Tanganyika to handle the entire exportation of mild coffee, according to the Tanganyika Gazette of September 24, 1943. The membership was to be restricted to long-established firms which have exported from East Africa at least 100 tons of coffee in each of the years 1939-41 and not less than 500

tons of Northern Province coffee during the whole period.

It is stated that this group is a part of the newly organized Tanganyika Coffee Corporation, Ltd., which was set up late in July to market the entire coffee crop.

Dairy Products

BUTTER STOCKS IN EIRE

On October 15, 1943, stocks of creamery butter held in public cold storage, at creameries and factories, and at merchants' premises, in Eire, totaled 22,175,552 pounds, compared with 21,220,640 pounds on September 30, 1943. Factory and other butter stocks totaled 2,477,664 pounds against 2,532,768 pounds on September 30.

About 3,599,568 pounds of creamery butter were produced in the period from October 1 to October 15, 1943. Cold storages received 614,432 pounds, and withdrawals amounted to 118,608 pounds, leaving a net movement of 495,824 pounds of creamery butter into public cold storage.

It is expected that the butter ration can be maintained throughout the winter at the rate of ½ pound per person per week.

Fruits and Nuts

BRAZIL NUT MARKET

The Brazil nut market was inactive from September 1, 1942, until September 30, 1943, inasmuch as shipments to the United States have not been permitted since the late summer of 1942.

Production of Brazil nuts in the Amazon Valley during the period under review amounted to only 7,589,456 pounds, compared with 52,558,240 pounds in the period September 1, 1941, to August 31, 1942, and 59,685,000 pounds in the corresponding period of 1940-41.

Unofficial export statistics for Amazon Valley Brazil nuts from September 1, 1942 until September 30, 1943, indicate shipments of 2,931,264 pounds of shelled and 1,311,632 pounds of unshelled nuts.

GRAPEFRUIT PRODUCTION, TRINIDAD, B. W. I.

The 1942-43 grapefruit crop in Trinidad, British West Indies, is estimated at 16,000,000 fruit compared with 17,000,000 in 1941-42. Lack of labor reportedly is responsible for the decline.

Total production for 1942-43 is estimated at 151,963 cases in full boxes of 90 pounds net, compared with 128,218 cases in 1941-42. This estimate credits the Cooperative Citrus Growers Association of Trinidad with 90 percent of the production, since its members have this proportion of the acreage devoted to citrus fruit in the colony.

Because of scattered and unorganized marketing of grapefruit in Trinidad, accurate consumption estimates cannot be made. In general, the colony absorbs all the juice canned, but only one-third of the fresh fruit left after canning operations.

The following figures show operations of the Association for the past two seasons:

Item	1941-42	1942-43
	Cases	Cases
Fresh fruit packed	2,697	123,538
Canning and juicing	105,748	38
Marmalade experiment	—	12,852
Fresh fruit sold locally	6,097	340
Dumped	763	—
Totals	115,305	136,768

While the average daily production of the cannery increased, the labor shortage continued. Wages were slightly higher, but did not affect overhead costs.

The marmalade experiment proved successful and additional production will be continued during the coming year. Additional experiments were also carried out in respect to stock feed from grapefruit skins, but lack of proper equipment has prevented progress.

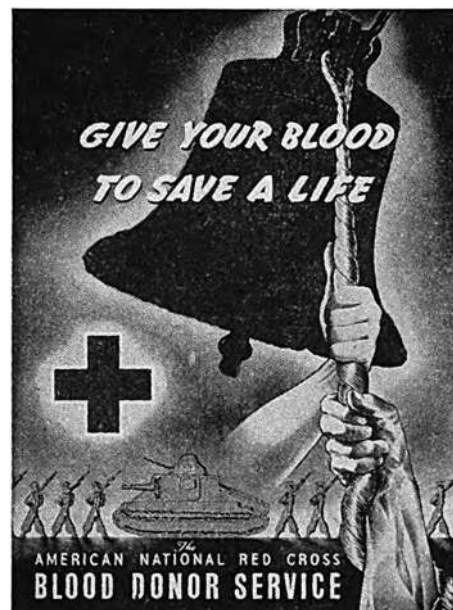
The Association's cannery now has sufficient equipment to provide United States Army forces with juice of the standard required, and the production of juice will be limited only by the fruit available next year, since there is now no marked shortage of tin cans in Trinidad such as existed even during the height of the canning season last March.

SPANISH ALMOND CROP

The almond crop of Spain will amount to about 28,000 metric tons of shelled nuts.

In consequence of the lifting of the embargo on the export of almonds in July 1943, and the increased pressing of oil, stocks of almonds from previous harvests have been reduced. Before the current harvest they were unofficially estimated at 12,000 tons, compared with 25,000 tons in July.

When it became apparent in September that there would be a shortage of olive oil for domestic needs, the extraction of almond and filbert oil was substantially expanded. Since the beginning of September, the daily output has averaged about 25,000 kilograms, compared with 7,500 kilograms in July. It is announced that the pressing of filbert and almond oil will be curtailed when the



oil from this year's olive crop is made available in January 1944.

Germany is vitally interested in obtaining almond oil, despite the high price, but the Spanish Government has refused to issue export permits for shipments to be made on credit. However, it is reported that the German Government recently offered to make payment for almond oil in Swiss francs, but up to the end of October no final decision had been reached. The price is \$2.40 per kilogram, f. o. b. Spanish port.

During August, September, and October, the market for filberts was brisk, and stocks decreased from 9,000 tons, shelled, in July to 2,000 at the end of October.

Grain and Products

CHILEAN RICE INDUSTRY

The rice industry of Chile has probably grown more rapidly in recent years than any other agricultural industry in that country.

Chile exported 8,566 metric tons of rice in 1942 compared with 3,891 tons in 1941, according to published figures of the Chilean National Foreign Trade Council.

The upward trend in exports continued during the first 6 months of 1943 when, according to the above-mentioned source, exports of rice totaled 4,689 tons, compared with 3,512 tons in the corresponding period of 1942.

WHEAT ACREAGE, CHILE

Area sown to wheat in Chile in 1943 total 834,953 hectares (1 hectare=2.471 acres), according to the second official estimate, which is about 11.8 percent greater than the 747,294 acres sown in 1942.

WHEAT PRODUCTION ENCOURAGED IN EIRE

The new tillage order for 1944 in Eire makes it compulsory for every farmer holding 5 or more acres to plant a certain portion of his arable land to wheat in the coming year. The tillage quota

has been fixed at three-eighths of the arable land instead of one-third, as was provisionally announced last year.

The area planted to wheat in 1939 was 255,000 acres, which rose to 574,000 acres in 1942. According to available figures, the area planted to wheat this year dropped to 509,000 acres.

It is officially stated that if Eire is to be self-sufficient in breadstuffs, at least 700,000 acres must be planted to wheat.

As a means of encouraging greater voluntary effort, the Government has decided to guarantee 55 shillings a barrel (280 pounds) for the highest-grade wheat produced in 1944, as compared with 50 shillings a barrel this season. In addition, the issuance of fertilizer credit vouchers will be continued, which in effect will mean a price of 57s. 6d. a barrel.

PERUVIAN WHEAT PRODUCTION

Peruvian wheat production in 1942 is reported at 100,898 metric tons, compared with 100,334 tons in 1941.

According to a preliminary estimate, wheat production in 1943 will amount to from 90,000 to 95,000 tons, a decline of 5 to 10 percent from 1942 production, as a result of the effects of the rust plague.

Peru's wheat imports of 116,000 metric tons in 1942 were somewhat lower than 1941 imports. Argentina was the principal source of supply. In the first 8 months of 1943, imports increased by about 47 percent compared with the corresponding period of 1942.

There were no exports of wheat from Peru in 1942 or in the preceding 3 years.

Because of the poor quality of the locally grown wheat, only a small percentage is used for the manufacture of flour, the bulk being consumed in grain form, both for human and animal use. The Sierra region of the country is the largest consuming area for domestic wheat. Consequently, Peru depends almost exclusively upon foreign sources for her essential requirements of quality wheat for flour milling.

Sugars and Products

SALVADORAN SUGAR CROP

Salvadoran 1943-44 sugar crop is estimated at 22,750 short tons compared with a crop of about 20,837 tons in 1942-43.

Consumption of sugar in El Salvador in the first 9 months of 1943 amounted to about 9,000 tons.

Glass and Products

TUBES TO BE MANUFACTURED IN SPAIN

A new enterprise has been formed in Bilbao, Spain, for the manufacture of glass tubes for the chemical industry. An annual output of 1,000,000 tubes of various shapes and dimensions is planned.

Iron and Steel

CANADIAN PRODUCTION

An official report of iron and steel production in Canada in the first 9 months

of 1943 shows 1,331,966 net tons of pig iron, 158,764 net tons of ferro-alloys and castings, and 2,237,736 net tons of steel ingots and castings.

September production of each of these items was less than output in August, pig iron dropping from 164,906 net tons in August to 147,902 in September, ferro-alloys from 18,429 net tons to 17,007, and steel ingots and castings from 248,820 to 241,255 net tons.

SWISS IMPORTS FROM GERMANY

In the first 6 months of 1943, iron imports into Sweden from Germany amounted to 128,000 metric tons compared with 113,000 tons in the corresponding period of 1942. In the June-to-August period, imports amounted to only about 50 percent of the amount planned. It is thought, however, that iron imports in September were somewhat larger than in August, and Germany claims that enough will be shipped during the last quarter to cover the quota (300,000 metric tons) for the year. This would mean delivery of an average of 40,000 tons of iron a month, more than has ever been delivered in any previous month.

Imports of rolled wire have been low but increased deliveries are promised. The shipment of pig iron, coming from an iron plant at Lubeck, does not burden the German transportation system, and imports of pig iron have been satisfactory.

Leather and Related Products

Hides and Skins

EXPORTS FROM ARGENTINA

Shipments of hides and skins from Argentina during the first 9 months of 1943 decreased 17.9 percent in volume and 4.7 percent in value, compared with the corresponding period of 1942.

PRODUCTION IN PERU

Peruvian hide and skin production during the first 9 months of 1943 is estimated at 1,310,000 pieces, consisting of 150,000 cattle hides, 800,000 sheep skins and 360,000 goat and kid skins. During September, production amounted to 20,000 cattle hides, 100,000 sheep skins, and 40,000 goat and kid skins.

Domestic consumption of cattle hides, sheep, goat, and kid skins during September was estimated to be 43,980 pieces.

Tanning Materials

BULGARIANS MUST DECLARE STOCKS

All importers, wholesale and retail merchants, producers, artisans, and industrialists in Bulgaria were ordered by the Ministry of Commerce to declare all quantities of tanning extracts and materials of whatever kind, both vegetable and synthetic, in their possession on October 20. They are now required to declare all such materials imported within 3 days from the date they are cleared from customs.



U. S. Dept. of Labor

Lumber and Products

PRODUCTION, NOVA SCOTIA, CANADA

Nova Scotia, Canada, because of its location, large timber resources, and ice-free harbors, has held an important place in world lumber trade, but is now facing serious production problems, principally lack of manpower, says the Canadian press.

About 500 sawmills, 1 newsprint mill, and 4 ground-wood pulp mills are in operation. In addition, 130 woodworking plants supply materials for the ship, cooperage, and building industries of the Province.

The annual cut during recent years has averaged approximately 535,000,000 board feet (not including hardwood used locally for fuel, which amounts to 500,000 cords a year). The cut of softwood greatly exceeds that of hardwood, since softwood is more prevalent in Nova Scotia. Spruce ranks first in commercial importance, but fir, balsam, hemlock, white pine, red pine, and larch are also marketed in large quantities. Yellow birch is most important among the hardwoods, which also include maple, white birch, red oak, ash, and poplar.

Before the war, Nova Scotia's ship-building industry was a large consumer of lumber for building schooners for the North Atlantic fishing fleet, and it is now taking even more timber for the construction of motor torpedo boats, patrol and cargo vessels, and mine sweepers.

SHINGLE EXPORTS FROM BRITISH COLUMBIA, CANADA

Exports of red-cedar shingles to the United States from British Columbia during October were somewhat larger than in September, but substantially less than the figure for October 1942.

Because of the continued shortage of cedar logs, shingle production has been running considerably lower so far this year than in 1942. Most mills are now operating on a single shift.

EXCELSIOR MANUFACTURE, CANADA

Excelsior and excelsior products were manufactured by 10 firms in Canada in 1942, the Dominion Bureau of Statistics reports. Although this was a reduction of three from the preceding year, the value of the products increased from \$458,681 in 1941 to \$477,348 in 1942.

TIMBER OUTPUT INCREASED IN CZECHOSLOVAKIA

Czechoslovakia's timber output increased from 5,000,000 cubic meters in 1941 to 5,300,000 in 1942, the European press reports.

Softwoods accounted for 2,800,000 cubic meters and hardwoods made up the balance. Pit-prop production has been sufficient to permit the export of two-thirds of the output, it is stated. Large amounts of wood are used for fuel and charcoal and for distillation and other industrial purposes.

However, sawn goods make up the largest portion of the total output.

There are now 29 large, 97 medium, and 270 small sawmills in the country, the report says.

FOREST INSTITUTE OF INDIA AIDS WAR EFFORT

The Forest Institute at Dehra Dun, India, has undertaken a number of tasks in connection with the war effort, says the Indian press.

These include identification of timbers for the Army, testing of Indian woods for aircraft construction, and training officers and men in the ordnance and military-engineering branches in timber testing and identification.

Hardwood dowels designed for use in roof trusses have saved metal and been less expensive as well.

Valuable research has also been done on charcoal for producer-gas plants.

NEW ZEALAND'S FOREST-UTILIZATION PLANS

The best utilization of New Zealand forests requires the replacement of indigenous timber by exotic species wherever possible, says a late report of the State Forest Service.

The current annual cut of all sawn timber amounts to approximately 350,000,000 board feet, of which about 50,000,000 is exotic softwood. However, if the post-war demand reaches 450,000,000 feet, which is likely, all the additional 100,000,000 should be supplied from exotic softwoods, it is stated.

If the annual cut remains at the 450,000,000 level for 10 years, the amount of indigenous timber should be reduced to 200,000,000 feet and the exotic increased correspondingly to 250,000,000 feet. However, this development would require almost universal use of modern sawmill equipment, extension of kiln drying, and the chemical preservation of kiln-dried timber.

Adoption of such a program would greatly reduce both waste and costs and at the same time furnish timber superior to the indigenous wood now marketed, the report states.

SWEDISH WOOD INDUSTRIES

The war years have witnessed considerable expansion in the Swedish wood industries, particularly the cellulose branch, and many new uses have been found for forest products, the foreign press reports.

Motor fuel and lubricants are distilled from wood, and cars and small boats are operated with fuel generated by producer-gas units; a rubber material is being extracted from wood; clothing contains about 50 percent cellulose; cellulose is mixed with cattle fodder; "cellulose beef" (a form of albumen yeast) is served in Swedish restaurants; and alcohol extracted from wood is being used to make aquavit.

The present situation in the cellulose industry is difficult. Production of cellulose fodder is expected to show a decrease, since the output of hay has been larger during the past 2 years. Exports of rayon pulp are considered likely to be smaller. The amount of wood available for manufacture may be reduced as the coal shortage has put heavy pressure on Sweden's forests to supply fuel wood.

Nazis Handle Rubber With Some Solicitude

Instructions as to methods of storing and handling rubber goods in Germany are extraordinarily meticulous and detailed, a British source asserts.

The storeroom, it is specified, should be dry, dark, dust-free, well-ventilated, and never above 15° C, with humidity at about 65 percent. Light should pass through a red or orange filter. No blue light should be used. Any heating device must be kept at least 1 meter away from the nearest rubber article and should be screened.

No lubricating materials should come in contact with any rubber surface. Belting, cable, elastic cord, and hose pipe should be stored in rolls. Small tires may be stood on their treads, but large tires should be laid flat in piles. Inner tubes should be kept slightly inflated or packed and dusted with talc.

Cleaning of rubber articles must be done with only warm water, to which 1.5 percent soda solution may be added—after which the articles must be rinsed and polished. In the case of articles in which rubber is bonded to metals, a glycerine-spirit mixture in equal parts may be used.

Because of the present shortage of fats, oils, tars, and similar materials, the byproducts of the pulp and cellulose industries have often been of as much importance as the products themselves. It has even been suggested that production be limited to those factories which have a high output of byproducts, but technical difficulties have prevented this. However, such factories are stepping up production beyond actual needs to provide reserves for post-war export as well as to meet the existing demand for wood alcohol and other products.

The outlook for the resumption of Sweden's large scale pre-war exports of cellulose materials is considered uncertain, partly because of the greatly increased manufacture abroad of these products. However, it will probably be some time before production can be resumed in many European areas, and it is expected that demand in the period immediately following the war will be substantial.

SOUTH AFRICA'S FOREST RESOURCES

Many industries recently established in the Union of South Africa are large consumers of timbers, says a report by the Forest Products Institute.

These expanding industrial needs, together with increased military requirements and a sharp reduction in imports, have placed a severe drain on the Union's forest resources. The output from Government forests has been substantially

Haiti to Grow Insecticides for U. S. Market

One hundred thousand cuttings of derris, from which a powerful insecticide is derived, have been planted in Haiti, under an agreement between Haiti and the Commodity Credit Corporation. Rotenone, the insecticide obtained from derris roots, is in great demand in the United States to combat insects. Before the war large quantities came from Malaya, but this supply has, of course, been cut off.

The agreement with Haiti is the most recent development in the rotenone-production program in which many of the other Americas are cooperating, by planting millions of derris cuttings and gathering wild roots. The United States will get the entire production from Haiti's rotenone-bearing derris roots. It takes 2 years from planting to production. The cuttings were shipped to Haiti from the U. S. Department of Agriculture's experiment station in Mayaguez, Puerto Rico.

The Haitian Department of Agriculture conducted surveys to determine where the cuttings would grow satisfactorily, and then distributed them to small farmers. Because of the heavy demand for rotenone, derris is looked to as a crop which may prove advantageous for the other American countries to continue growing after the war. Even when the supplies from Malaya were still available, there was hardly enough to fill the demand.

Derris cuttings are being flown from Puerto Rico to Mexico and Central and South America. In Mexico, Guatemala, and El Salvador, between 200,000 and 300,000 cuttings have been planted. And the program calls for the planting of 200,000 to 300,000 more before winter. By spring, the goal is to have 1,500,000 planted in Central America and Mexico.

Plans call for flying cuttings to Colombia, to learn whether they will grow satisfactorily there. Some have been flown to Peru for experimental purposes. More than 1,000,000 have been planted in Ecuador.

increased, but lack of machinery and kilns, as well as the time factor, have limited additional supplies.

Only 4,545 acres of forests were planted by the Forestry Division during the fiscal year ended March 31, 1942, in comparison with an average of almost 15,000 acres annually during the preceding 10 years, according to returns by the Division. Government plantations were increased during the year by the addition of 22,350 acres, making a total of 379,511 acres.

PITWOOD SITUATION, SOUTH WALES, U. K.

Stocks of pitwood in the South Wales, United Kingdom, mining district remain favorable, the British press reports.

Since new deliveries have been well maintained, despite the longer blackout period, sufficient quantities are expected to be available for the winter. It has not yet been necessary to use the substantial stocks accumulated at the pits as new arrivals have met current needs.

There is little prospect at present that imported pitwood will be easier to obtain, it is stated, but adequate stocks of mining timber from the Ministry of Supply's own production area are being reserved in sufficient quantity to meet the normal requirements of the collieries.

Controlled prices remain at 50s. to 62s.

Machinery, Other Than Electrical

EIRE'S FARM-MACHINERY IMPORTS

Farm-machinery imports into Eire during 1943 have included 100 tractors, 100 reapers and binders, and 22 threshing machines, it was reported in October.

A supply of horseshoes was also received, relieving an acute shortage.

ICELAND'S IMPORTS OF FARM EQUIPMENT

Iceland's imports of agricultural equipment in 1942 were valued at 2,200,000 crowns, the highest figure reported for similar imports in recent years.

Agricultural equipment received in 1938 was valued at 900,000 crowns; in 1939, at 800,000; in 1940, at 700,000; and in 1941, at 1,500,000 crowns.

SPANISH FIRM TO MANUFACTURE PNEUMATIC MACHINES

The manufacture of pneumatic machines is being undertaken by a firm in Bilbao, Spain.

Annual production is expected to be: 100 vibrators, 100 polishing machines, 100 engravers, and 100 riveters.

Medicinals and Crude Drugs

AUSTRALIA INVESTIGATING DRUG-PLANT RESOURCES

A panel of manufacturing chemists, Government technicians, and university professors, has begun to investigate the possibilities of certain plants in Western Australia as sources of drugs.

NEWFOUNDLAND'S IMPORT TRADE

The United States share of Newfoundland's import trade in medicinal supplies and nonalcoholic chemical preparations was well over 50 percent of the total value during the year ended June 30, 1942, while Canada's proportionate share, at one-third the total, was larger than it was in pre-war years, states a recent Dominion publication. Of the \$633,000 total value of these commodities, the United States shipped supplies worth \$351,000; Canada, \$216,000.

MEDICINAL-PLANT ACREAGE, SERBIA, YUGOSLAVIA

The small area devoted to the growing of medicinal plants in Serbia, Yugoslavia, in 1942-43 will not be increased in the 1943-44 year, according to reports in the foreign press. Medicinal plants, for the most part, will still be gathered wild in the woods of Serbia.

Metals and Minerals

PHOSPHATE-ROCK DEPOSITS, SOUTHERN AUSTRALIA

Deposits of phosphate rock at Myponga and Kapunda, Southern Australia, are being worked by the Broken Hill Proprietary Co., Ltd., states the foreign press. The Adelaide School of Mines is studying possibilities for converting the low-grade rock into a useful fertilizer.

CANADIAN GOLD AND SILVER OUTPUT

Output of gold from Canada in the first 8 months of 1943 is officially reported at 25,593,000 ounces, production in August 1943 amounting to 2,934,000 ounces compared with 2,927,000 ounces in July 1943, and 4,028,000 ounces in August 1942.

A total of 12,138,000 ounces of silver was produced in January-August 1943; output in August 1943 dropped to 1,287,000 ounces from the 1,336,000 ounces reported for July 1943 and the 1,505,000 ounces reported for August of the preceding year.

CANADIAN PRODUCTION OF NONMETALLIC MINERALS

Production of nonmetallic minerals in Canada in the first 8 months of 1943 included 240,000 tons of gypsum, 16,067 tons of feldspar, 4,888,000 barrels of cement, 617,184 tons of lime, and clay products valued at \$3,977,000.

Output of commercial salt amounted to 220,998 tons in the January to August 1943 period.

CANADIAN GOVERNMENT FORMS STEATITE COMPANY

Formation of the Government-owned company, Canadian Steatite Co., Ltd., of Georgetown, Ontario, is reported by the foreign press with the statement that the entire output of steatite will be used by the Government. A new plant is to be constructed at Georgetown.

CANADIAN MICA CONTRACTED FOR BY U. K.

British companies have contracts for the delivery of the entire production of split and ground mica from the Majormica mines, Ontario, Canada, the foreign press reports.

ABRASIVE DEVELOPED IN SOUTH AFRICA

An abrasive consisting of a mixture of powdered metal and crushed diamond boart and capable of polishing tungsten carbide has been developed by South African scientists, states the foreign press.

Motion Pictures and Equipment

FILM SURVEY, BELGIAN CONGO

A country-wide survey of educational-film stocks is being made by the Colonial Film Unit of the Belgian Congo for the purpose of locating pictures suitable for exhibition to African audiences.

The Colonial Film Unit has completed approximately 70 films since the start of the war, the African press says, and its African audiences now total more than 100,000 weekly.

EIRE SHOWS MANY U. S. FILMS

More than 90 percent of the motion pictures exhibited in Eire are reported to be of United States origin. The films are imported through Great Britain.

SPANISH IMPORTS RESTRICTED

Imports of motion pictures are very limited in the Valencia, Spain, consular district because of national regulations and restrictions. In recent years, Italian and German films have predominated. With the exception of Spanish productions, any feature made within the past 4 years is considered new by theatergoers; most United States films being exhibited were imported before the outbreak of the Spanish Civil War in July 1936.

In the Provincial capitals, first-run houses ordinarily show a feature, a nationally made documentary, and a Spanish news reel, the last two being obligatory. Second-run and third-run houses present two features and the two required films. All pictures shown in the capitals are dubbed into Spanish, but films in other languages are exhibited in smaller towns.

There are 314 theaters in operation in the Valencia district (exclusive of the Province of Murcia for which statistics are not available). Total seating capacity is 211,390.

Oils

IMPORTS INTO NEWFOUNDLAND

Imports of linseed and similar oils and thinners into Newfoundland during the year ended June 30, 1942, were valued at \$81,600. Almost 75 percent came from Canada and most of the remainder from the United States, according to a recent official publication.

Paper and Related Products

SWEDISH FACTORY TO MANUFACTURE CONICAL CONTAINERS

A factory for production of conical paper containers is being constructed in Langed, Sweden, by a company which has for years been manufacturing cylindrical paper containers, shells, capsules, and other similar articles. The new factory will be built in the im-

mediate vicinity of the company's paper mill.

Arrangements have been made for the use of the manufacturing process developed and used by the Finnish firm which had previously supplied most of the conical paper containers used in Sweden. Machinery to be installed will be capable of producing 3,000,000 units yearly, it is said. Factory space will accommodate additional machinery capable of quadrupling the initial output.

WALLBOARD MANUFACTURE, SWEDEN

Wallboard manufacture, a relatively new industry in Sweden, is expanding rapidly. The first mill was erected around 1930. In 1939 there were 13 wallboard mills with a total capacity of 138,000 metric tons. These mills employed 1,467 workers and produced wallboard valued at 30,988,829 Swedish crowns. In 1942 the capacity of the mills was estimated at 175,000 metric tons. Three new mills are under construction at present. With their completion in 1944, the total capacity of Swedish wallboard mills is expected to reach approximately 200,000 tons.

The wide variety of boards manufactured include porous, nonporous, soft and semisoft, and hard and semihard.

In 1939, the domestic demand for wallboard was 82,000 tons. In 1942 it had risen to 95,000 tons, the increase having been attributed to relatively large requirements for building purposes as well as military needs, and to large purchases by wholesalers in anticipation of rising prices.

The first 6 months of 1943 brought a decline in domestic demand to 75 percent of what it had been during the corresponding period in 1942, the greatest decrease being in the porous type of board.

Petroleum and Products

ARGENTINE FUEL-OIL SITUATION

In the future, all heavy fuel oil sold in Argentina will be mixed with 20 percent of linseed oil, the price of which has risen from 60 to 310 pesos a ton, claims a foreign source. The use of wood-gas generators, of which some 15,000 to 20,000 are to be manufactured as soon as the best type has been determined through competition, will be introduced by a special section of the Ministry of Agriculture.

The Argentine Government is said to have consented to an agreement between the Administration of the Province of Mendoza and Y. P. F. (the semi-State oil company), providing for a natural-gas pipe line from the oil district of the Province to the town of Mendoza. The company is to have the exclusive right to distribute gas in Mendoza and neighboring towns.

OIL SITUATION IN GERMANY

Having failed to secure additional sources of oil in the Caucasus, Germany is at the present time trying to build up a critically low reserve by increasing local production, the foreign press says. Much impetus is being given to the development of the synthetic-oil industry. In 1939 Germany produced less than 14,000,000 barrels of oil from coal; now the production is about 35,000,000 barrels annually.

Attempts are being made to bring in more mineral oil from Austria and Hungary. Every effort is being devoted to furthering the use of substitute fuels.

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especially producer gas. While these steps are costly in both labor and materials, they might well increase Germany's reserve of oil if they were not being offset by the Allies' crippling of established sources of supply. The Ruhr has a potential output of 12,250,000 barrels of synthetic oil annually, while Rumania has furnished the Axis with 21,000,000 barrels annually, in addition to the 14,000,000 barrels which that country consumes.

A concurrent opinion as to the gravity of the oil situation in Germany comes from Sweden. A Stockholm reporter who left Germany in August 1943 says that while Germany's operational need of oil has been reduced from 84,000,000 barrels a year to between 56,000,000 and 63,000,000 barrels a year as a result of partial conversion from air to land warfare, the need of a larger reserve there is still a most important strategic factor.

KEROSENE IMPORTS BY NICARAGUA

During 1943, Nicaragua imported from Mexico kerosene valued at \$604. In 1940 only \$2 worth of kerosene was received from Mexico, while in 1941 no petroleum products of any kind came from there; in 1939, however, kerosene imports had been valued at \$22,493.

USE OF MOTOR SPIRIT RELIEVES SWEDISH FUEL SITUATION

The use of a byproduct of the cellulose industry, as a motor spirit, has materially relieved the fuel situation in Sweden, it is reported.

The shale-oil industry has grown to a total annual capacity of 81,000 metric tons. A State-controlled company is Sweden's principal producer of this oil.

Rubber and Products

TIRE SITUATION IN SWEDEN

Buna synthetic-rubber imports from Germany into Sweden have not come up to expectations, and the State Traffic Commission is considering a future reduction of 5,000 vehicles, in addition to the 12,000 motor trucks scheduled to have been taken out of service by October 1, 1943. Delivery of 172 tons of crude rubber, small amounts of which are necessary in the manufacture of Buna synthetic-rubber products, was made in September.

An appropriation of 6,150,000 crowns for the manufacture of synthetic rubber has been proposed, 750,000 crowns to be used for doubling the capacity of the Ljungavik plant and 3,900,000 crowns to be made available for the erection of a new synthetic-rubber factory with an annual capacity of 800 metric tons. If both projects were carried out the annual synthetic-rubber capacity of these two plants would be 1,600 metric tons.

A pneumatic-steel tire, claimed to be "revolutionizing," has been announced. The principle consists of an 80-kilogram steel tire fitted over an ordinary worn-out rubber tire. Tests have been made for 3,000 kilometers over all sorts of roads, proving that speeds of 75 kilo-

meters can be attained. Whether any danger of flying steel exists, in case of blow-outs, will be determined by future tests.

Rationing regulations on bicycle tires are expected to be lightened this year, however. It is estimated that 2,000,000 bicycles are still in use.

While attempts to make tires of wood and metal have met with little success, developments have taken place in the field of rubber chemistry. Thiokol suitable for heels, soles, and insulation material is being produced, and a Neoprene-Thiokol substance which is claimed to be suitable for tires, packing, and insulation material has been worked out. A pure Neoprene-type rubber is in the process of development and may be in quantity production in 1944.

Soaps

NEWFOUNDLAND'S IMPORTS

Newfoundland-Canada's share of the Newfoundland soap trade reached a new high during the year ended June 30, 1942. During that period, Newfoundland imported 2,000,000 pounds of laundry soap valued at \$192,000, of which 990,000 pounds, worth \$99,000, came from Canada. The United Kingdom was the second-largest contributor with 970,000 pounds. The United States was the only other important supplier.

Toilet soap imported during the year was valued at \$77,000, of which 62 percent (\$48,000) was from Canada.

Canada's large share in the trade was directly attributable to the acquisition of a Newfoundland soap factory by Canadian interests.

Telephone and Telegraph

WORKSHOPS IN OPERATION IN INDIA

A modern telegraph and telephone workshop was nearing completion in

Rabbits Go to War

The ubiquitous rabbit, whose fur is prized in the manufacture of fur felt hats for army officers as well as seamen's vests and whose unrationed meat is a tasty supplement to beef and pork, is doing its part in Canada's war effort. According to official statistics released by the Dominion, more than 9,000,000 rabbits, representing as many pelts, gave their "all" to the war effort during the 1941-42 season. This is an increase of more than 1,100 percent over the 1940-41 take, when approximately 778,000 pelts were obtained. The value of the 1941-42 rabbit-fur harvest was almost \$939,000, as compared with \$173,000 for the preceding season.

Central India in September, the foreign press reports. A similar shop is now in operation in Calcutta and, in addition, the Post and Telegraph Department last April acquired the Bombay Telephone Co.'s workshop in Bombay.

Products to be manufactured in the Central Indian shop, the total cost of which is estimated as 1,886,600 rupees, include bakelite articles and telephone cords.

Textiles and Related Products

IMPORTS INTO BRITISH GUIANA

Textiles accounted for a large proportion of imports into British Guiana in 1942.

The following were among the more important items imported in 1941 and 1942, as listed in a foreign publication:

Commodity	1941		1942	
	Quantity	Value	Quantity	Value
Cotton piece goods .sq. yd.	5,883,713	\$768,948	6,753,652	\$1,488,691
Cotton manufactures, except apparel	-----	234,657	-----	232,185
Rayon piece goods .sq. yd.	1,172,731	346,811	1,221,093	388,633
Apparel, except hosiery	-----	173,720	-----	94,917
Rayon underwear .doz.	-----	-----	2,984	12,907
Hats, caps, and other headgear .doz.	-----	-----	-----	45,389
Cordage .lb.	413,609	61,088	117,473	21,682
Twine .do.	171,199	44,480	117,949	46,800
Jute bags and sacks, empty .doz.	-----	-----	194,438	563,009

EMPLOYMENT IN CANADIAN MILLS CONTINUES DECLINE

Employment in Canada's textile industry continued its steady decline through July, according to published reports. The greatest drop was sustained by cotton yarn and cloth manufacturers.

As of August 1, employees in the primary manufacturing division numbered 78,916, compared with 79,566 in the preceding month and 84,994 as of August 1, 1942. In the secondary manufacturing group employees on August 1, totaled 56,152. Workers numbered 57,737 on July 1, and 59,821 on August 1 of last year.

COLOMBIAN MILLS OPERATING AT CAPACITY

Textile mills in the Department of Antioquia, Colombia, continue capacity operations, obtaining their raw cotton from Brazil and Haiti.

A new rayon factory for production of flat rayon piece goods has recently been established. Rayon yarns are to be produced in Barranquilla.

All mills in this area are reportedly planning for vast post-war expansion.

IMPORTS INTO ICELAND

Textiles and clothing ranked first in Iceland's 1942 imports, aggregating 47,400,000 crowns, compared with 26,300,000

crowns in 1941 and 8,700,000 crowns in 1940. Imports of footwear increased to 5,300,000 crowns in 1942, from 2,900,000 the preceding year and 1,400,000 in 1940, according to published reports.

Wool exports totaled only 337,000 crowns in 1942, compared with 2,873,000 in 1941 and 743,000 in 1940. Exports of sheepskins jumped to 5,295,000 crowns, from 854,000 crowns in 1941 and 1,877,000 crowns in 1940.

NEWFOUNDLAND'S IMPORTS

Textiles formed an important item in the imports of Newfoundland during 1942. Some of these were listed in a published report, as follows:

Commodity	Value
Cotton piece goods	\$830,600
Clothing and oiled and rubber suits for fishermen	127,000
Hats and caps	279,999
Ready-made clothing	408,000
Men's and boys' woven underwear	264,000
Miscellaneous clothing, not specified elsewhere	2,600,000
Felts for paper-making machines	294,000
Linoleum and oilcloth	224,000

Cotton and Products

CANADIAN IMPORTS

Imports of raw cotton into Canada have been dwindling in recent months. For the January through September period only 93,000,000 pounds were received, compared with 223,000,000 pounds imported in the corresponding months of 1942, reports a trade publication.

DISPOSITION OF RUMANIAN CROP CONTROLLED

Rumanian cotton growers must release their 1943 crop to official collectors, retaining only 60 kilograms per hectare for their own use, according to an official decree of September 10, reported in the foreign press.

Declarations giving full information regarding disposition of the crop must be filed with the Cotton Office.

Wool and Products

SITUATION IN CANADA

Raw-wool imports into Canada in the first 9 months of 1943 were approximately 58,000,000 pounds, according to a Canadian publication. In the corresponding months of last year, these totaled 62,000,000 pounds. Worsteds imports in the corresponding periods were 6,200,000 pounds and 10,100,000 pounds, respectively. Stocks of raw wool are high, but some difficulty is experienced in securing sufficient storage space.

Woolen mills expect to increase their output for civilian use shortly after the first of the year, the rate of increase depending upon the available labor supply.

Imports of worsted yarns in the first 9 months of 1943 aggregated 2,273,268 pounds. This compares favorably with the 3,004,000 pounds imported in all 12 months of 1939.

Approximately 6,300,000 pounds of various types of wool goods were imported through September 1943. Imports in this category were higher in



the corresponding period of 1942, when 7,700,000 pounds were received.

SITUATION IN EIRE

Sheep in Eire numbered 2,555,660, according to preliminary figures published in September. This is about 100,000 less than a year ago.

Official statements indicate the 1943 wool clip to be approximately 12,000,000 pounds.

Following an order of August 27, 1943, buying permits are required to purchase graded wools. These will be issued to manufacturers who need certain grades of wool for specified materials, or to manufacturers to replace certain stocks consumed over a 2-month period. All graded wool dealers have been registered and no mill may purchase from any other source.

In the development of home industries, cloths are being hand-spun from ordinary Blackfaced wools, dyed into yarn without scouring, and then hand-woven, the same as sacking. These are somewhat inferior, but because of the tight situation, may be sold at good prices.

Synthetic Fibers and Products

Woven rayon fabrics in the amount of 1,700,000 pounds were imported into Canada in the first three quarters of this year, according to a Canadian periodical. This is far below the 2,200,000 pounds received in the corresponding period of 1942.

Shipments from the United Kingdom have reportedly dropped to about half of normal, but those from the United States have practically doubled.

Linings are badly needed by the clothing trade, and plans have been made for heavier imports.

A plant to produce charcoal, tar, and byproducts has been erected by A. B. Scharins Soner at Clemensnas, near Skelleftea, Sweden, a European trade paper reports. The factory began operations in June, it is stated.

Aviation in Chile

(Continued from p. 9)

Captain Pedro Loyer of the Chilean Navy. This was but one of the many factories visited, as the Commander made a national tour of aircraft factories before taking up duties as Chilean air aide in Washington.

Chile, one of the smallest republics of South America, is a land of energy, freedom, progress. The basic wealth is minerals, yet there are more than 92,700 manufacturing establishments in Chile. Since the sixteenth century when the Spaniards conquered America, from Mexico to Chile, history has recorded Chile's cultural, social, and industrial progress. Aviation is adding a new page!

Domestic Prosperity and Foreign Trade

(Continued from p. 4)

exports and imports will attain new high peacetime levels. Much remains to be done by individual exporting industries in studying potential markets for their particular products. At the earliest possible time the restrictions on reported export and import statistics should be modified or removed. The Department of Commerce is cognizant of the statistical requirements of private business in planning its programs and in appraising foreign markets, and we shall exert every effort, consistent with the requirements of national security, to effect an early amelioration of the existing situation.

Economic Health the Key

In the final analysis, the future of our foreign trade is bound up with the economic health of the world community. The exported product of one country is the imported commodity of another country. It is essential that economic health prevail at each end of the transaction. With the shrinkage of time and space under our modern methods of transportation and communication, and the prospects of still greater shrinkage in the future, the need for international cooperation and good will is paramount. If we have healthy world markets, goods and services will move and this country will have no difficulty in contributing to the total movements according to its capacity to maintain a high level of output and national income.

New Railway-Tie Preservative

A new preservative treatment for green railway "sleepers" (ties) has been developed by the Indian Forest Institute at Dehra Dun, according to its last annual report.

The method has made possible the use of green hollong sleepers from Assam to meet increased war demands, it is stated.

Trade Mark Applications

Uruguay.—The following applications for trade-mark registration were published in the *Diario Oficial* of Montevideo, on the dates noted. Opposition must be filed within 30 days from the date of publication:

Trade-mark	Product	Date of publication
Pinodor.....	Perfumery and toilet articles.	1943 Nov. 15-20
Anticalvin.....	Drug-store and chemical products.	Do.
Ariston.....	Jewelry, clocks, and watches.	Do.
Atma.....	Electrical goods, etc.	Do.
Elno.....	Jewelry, clocks, and watches.	Do.
Tast.....	do.	Do.
Rega.....	do.	Do.
Hermes.....	do.	Do.
Castol.....	do.	Do.

Colombia.—The following applications for trade-mark registration were published in the *Diario Oficial* on the dates noted. Opposition to the registration of these trade-marks must be made in Colombia within 30 days from the date of the third and last printing:

Trade-mark	Commodity	Date of publication
Sanitaria.....	Commercial name for pharmaceutical establishments included in class 14, noted in Decree 1707, 1931.	Oct. 8, 1943 (second printing). Do.
Pildoras Orientales, Vino Tónico Anomilado de Zolito Ruiz, Oleo-Zinc.	Commercial name for pharmaceutical products used in medicine and hygiene, included in class 2, of Decree 1707, 1931.	Do.
Crema Slender.....	Commercial name for a medicinal and toilet cream, included in class 2, of Decree 1707, 1931.	Oct. 15, 1943 (second printing). Do.
L. E. A. S.....	Commercial name to distinguish pharmaceutical laboratories included in class 14, of Decree 1707, 1931.	Do.
Nueva Mananías.....	Commercial name for pharmaceutical products, included in class 2, of Decree 1707, 1931.	Do.
Ceylon.....	Commercial name to distinguish fabrics, woven and knitted goods, linen goods, and many other items included in class 22, of Decree 1707, 1931.	Oct. 14, 1943 (second printing). Do.
Calcioftin.....	Commercial name to distinguish pharmaceutical products, included in class 2, of Decree 1707, 1931.	Do.
Laboratorios del Pulmónbrónk.....	Commercial name to distinguish establishments engaged in the manufacturing, processing, purchasing and selling of chemical, medicinal, pharmaceutical, veterinary and hygienic products; perfumery and toiletries, etc., included in class 14, of Decree 1707, 1931.	Do.
Calcio-Nar, Gelomax, Sulfovacuna, Pasibromil, Vioformol.	Commercial name to distinguish substances and products used in medicine, pharmacy, veterinary practice, hygiene, perfumery, toiletries; drugs, mineral water, medicinal wines and tonics, included in class 2, of Decree 1707, 1931.	Do.
Laboratorios "Vita" Sociedad Anónima.	Commercial name to distinguish establishments engaged in the manufacture, buying and selling of chemicals, medicines, pharmaceuticals, veterinary and hygienic products; perfumery and toiletries, included in class 14, of Decree 1707, 1931.	Do.
La Campagnola Nereida.....	Commercial name to distinguish foodstuffs or substances used in food, especially in canned goods, included in class 22, of Decree 1707, 1931.	Do.
Café Negresco, Garantizado sin Mezcla, Café Preparado.	Commercial name for coffee-roasting plant; also for stores selling coffee in all forms and preparations, included in class 14 and 22, noted in Decree 1707, 1931.	Do.
Crillon Don Eusebio.....	Commercial name to distinguish alcohol, nonmedicinal alcoholic or nonalcoholic beverages, especially wines, included in class 23, of Decree 1707, 1931.	Do.
Hoyle's Prints.....	Commercial name to distinguish fabrics, linen, etc., included in class 15, of Decree 1707, 1931.	Do.

British East Africa's Currency Circulation

The circulation of currency in British East Africa increased 63 percent during 1942, rising from £10,938,000 in December 1941 to £17,851,000 as of December 31, 1942. Note circulation alone totaled £12,481,000 at the later date, according

to a report of the East Africa Currency Board which was published in the *Official Gazette* of Kenya for October 5, 1943.

More than £14,871,000 was deposited in the Currency Reserve Fund, while £236,000 was in the Investment Reserve Account, according to the Board's report. Securities forming the investment portion of the Reserve Fund were valued at £12,906,000 on December 31, 1942.

New Books and Reports

★ The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. *Please note:* The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Current Interest Appearing in the Department of State Bulletin November 27, 1943.

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., for the price of 10 cents each; subscription price, \$2.75 a year. The November 27 issue contains these articles:

APPOINTMENTS TO THE ALLIED CONTROL COMMISSION FOR ITALY AND TO THE FRENCH COMMITTEE FOR NATIONAL LIBERATION.

STATEMENT BY THE SECRETARY OF STATE REGARDING THE ANNOUNCEMENT BY COLOMBIA OF A STATE OF BELLIGERENCY WITH GERMANY.

MESSAGE OF THE SECRETARY OF STATE TO THE UNITED NATIONS FORUM LECTURE SERIES.

BOMBING OF THE AMERICAN EMBASSY BUILDING IN BERLIN.

FINANCIAL ASSISTANCE TO AMERICANS HELD BY JAPANESE IN THE PHILIPPINES.

ARRIVAL IN NEW YORK OF THE MOTORSHIP GRIPSHOLM.

RESTORATION OF THE GOVERNMENT IN THE LEBANESE REPUBLIC.

ADHERENCE OF EGYPT TO THE PRINCIPLES OF THE ATLANTIC CHARTER.

AMERICAN LEGION DINNER FOR DIPLOMATIC REPRESENTATIVES OF THE AMERICAN REPUBLICS: GREETING OF THE SECRETARY OF STATE.

INDUSTRIAL MISSION, UNITED STATES AND HAITI.

STATEMENT BY THE SECRETARY OF STATE ON THE BRAZILIAN BOND SETTLEMENT.

PAYMENT BY MEXICO UNDER THE CLAIMS CONVENTION OF 1941.

ADDRESS BY ASSISTANT SECRETARY BERLE BEFORE THE KNOXVILLE ROTARY CLUB.

CONVERSATIONS BETWEEN THE UNITED STATES AND CANADA REGARDING DOUBLE TAXATION UPON ESTATES.

DISTINGUISHED VISITORS FROM OTHER AMERICAN REPUBLICS.

Other Publications

AGRICULTURAL PRODUCTION IN CONTINENTAL EUROPE DURING THE 1914-18 WAR AND THE PERIOD. League of Nations. 1943. 122 pp. Price, \$1.75. Presents existing data on production, trade and consumption of major foodstuffs in the re-

gions most affected by World War I, for the war and early post-war periods. Surveys the changes of agricultural production by regions, countries, and provincial districts, and analyzes the various factors responsible for these changes. Compares production and trade of Continental Europe with those of the British Isles and Russia, and with North America and a group of countries in the Southern Hemisphere which export cereals. Finally, the situation at the end of the fourth year of World War II is contrasted with that at the same point in World War I. Contains detailed tables and maps.

Available from: International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N. Y.

WHEAT OUTLOOK AND POLICIES. Joseph S. Davis. 1943. Wheat Studies, Vol. XX, No. 1. 36 pp. \$1. Discusses the outlook as regards wheat, for the United States, other overseas exporters, other United Nations, and Continental Europe; nutritional developments; and relief and related policies. Complete with appendix tables and index.

Available from: Food Research Institute, Stanford University, Calif.

RECONSTITUTING THE LEAGUE OF NATIONS. Julia E. Johnsen (ed.). 1943. The Reference Shelf, Vol. 16, No. 7. 304 pp. Price \$1.25. A compilation of up-to-date discussions, including essential background material, in arguments for and against the value of the League of Nations as a continuing factor in our international life.

Available from: The H. W. Wilson Co., 950-972 University Avenue, New York, N. Y.

WHAT TO DO WITH ITALY. Gaetano Salvemini and George La Piana. 1943. 322 pp. Price, \$2.75. Emphasizes the need for every American to face the problem of what to do with Italy, and offers advice on international matters of the greatest concern to the thinking public. Examines such questions as: Shall we, now that Mussolini is no longer in power, support Fascism anyway? Will the Monarchy be preserved? Can the policies of the Vatican be carried out? What role will the pre-Fascists play—and the new generation educated and disciplined under the Duce?

Available from: Duell, Sloan & Pearce, Inc., 270 Madison Avenue, New York 16, N. Y.

THE TARIFF REFORM MOVEMENT IN GREAT BRITAIN 1881-1895. Benjamin H. Brown. 1943. 181 pp. Price, \$2.50. How did the ordinary Englishmen—the entrepreneurs and the laborers, in the city and on the farm—react to the economic changes brought about by the so-called "Great Depression" in Great Britain during the latter part of the nineteenth century? How did they formulate their views? How did they organize for political action? What steps did they take to put their remedies before the public? Furnishes insight into these and many other questions revolving around attempts to install protective tariffs in Britain during the 15 years following 1881.

Available from: Columbia University Press, 2960 Broadway, New York 27, N. Y.

U. S. Export Control and Related Announcements

Developments communicated to the Trade Controls Unit up to Tuesday, December 7, 1943.

No. 502—Current Export Bulletin No. 135

The Office of Exports has issued Current Export Bulletin No. 135 on the following subjects:

I. IR Provisions Eased for Items of Small Value.

Certain exporters have been receiving from customers in the other American Republics orders including items each valued at \$25 or less and for which no Import Recommendation has been obtained even though all the items, classified under the same Schedule B number in the particular order, exceed \$25 in total value.

Where an exporter receives such an order, he may submit a license application without an accompanying Import Recommendation if no individual item under a single Schedule B number exceed \$25 in value; or with an Import Recommendation which accounts for only those items under the Schedule B classification which individually exceeds the \$25 figure. He must, however, clearly indicate on the license application the product-by-product breakdown with individual prices where the several products are included within the single Schedule B number.

II. Exports to Mexico and Cuba.

License applications for the export of certain commodities to Mexico and Cuba which have already been received in the Office of Exports have exhausted the quotas assigned. Those that have not been acted upon will receive consideration. However, all license applications for the commodities mentioned below received after November 30, 1943 will be returned and reapplication may be made after January 1, 1944.

A. EXPORTS TO MEXICO

Effective November 30, 1943, and for the remainder of the 4th quarter, license applications to export the following commodities to Mexico will not be considered:

Commodity	Dept. of Commerce Schedule B Number
Rayon Products:	
Printed woven filament yarn fabrics, n. e. s. (include fabrics of nylon and glass fibers).....	3849.30, 3849.31
Woven filament yarn fabrics, n. e. s. (include greige, white piece-dyed, yarn-dyed fabrics).....	3849.50, 3849.51
Fabricated products of filament rayon:	
Dresses, skirts, blouses and other outerwear for women and children, not knit or crocheted, include woven bathing suits (one, two, and three piece ensembles as one unit).....	3852.00
Woven underwear.....	3857.20
Sleeping and lounging garments, knit or woven (include pajamas, gowns, robes, and kimonos).....	3857.70

B. EXPORTS TO CUBA

Effective November 30, 1943, and for the remainder of the fourth quarter, license applications to export the following commodities to Cuba will not be considered:

Commodity	Dept. of Commerce Schedule B number
Cotton Textiles:	
Sheetings:	
Sheeting, unbleached cotton, 40" wide and narrower.....	3031.20
Sheeting, unbleached cotton, wider than 40".....	3033.20
Sheeting, bleached, 40" wide and narrower.....	3042.10
Sheeting, dyed in the piece, 40" wide and narrower.....	3042.20
Sheeting, printed, 40" wide and narrower.....	3043.00
Sheeting, bleached, wider than 40".....	3046.10
Sheeting, dyed and printed, wider than 40".....	3047.10
Drills, twills and warp satens:	
Drills, twills and warp satens (unbleached cloth) 40" wide and narrower.....	3031.10
Drills, twills and warp satens (unbleached cotton cloth) wider than 40".....	3033.10
Drills, twills and warp satens bleached, finished cotton cloth, 40" wide and narrower.....	3040.00
Drills, twills and warp satens, dyed in the piece, finished cotton cloth, 40" and narrower.....	3041.10
Drills, twills and warp satens, printed, finished cotton cloth, 40" wide and narrower.....	3041.20
Drills, twills and warp satens, wider than 40".....	3045.10
Cotton Manufactures made of materials listed above and classified under Schedule B numbers.....	3090.00 through 3199.00
Rayon Products:	
Printed woven filament yarn fabrics, n. e. s. (include fabrics of nylon and glass fibers).....	3849.30, 3849.31
Woven filament yarn fabrics, n. e. s. (include greige, white piece-dyed, yarn-dyed).....	3849.50, 3849.51
Fabricated products of filament rayon:	
Dresses, skirts, blouses and other outerwear for women and children, not knit or crocheted, include woven bathing suits (one, two and three piece ensembles as one unit).....	3852.00
Woven underwear.....	3857.20
Sleeping and lounging garments, knit or woven (include pajamas, gowns, robes and kimonos).....	3857.70

III. Extension of Licenses to Export to Any of the Selected Destinations.

A. EXTENSION OF EXPORT LICENSES

1. Requests to extend the period of validity of licenses to export to any of the countries subject to the Selected Destinations Clearance Procedure, defined in the current Comprehensive Export Schedule, may be made to the Office of Exports, Office of Economic Warfare, Foreign Economic Administration, Washington 25, D. C. These requests for extension should be accompanied by the corresponding export license.

2. The notice of extension of the license, if granted, will be stamped on the license.

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which will be forwarded to the applicant or the agent making the request.

3. If the export license is not readily available, the request may be made without the accompanying license and the following information must be submitted:

- (a) License case number;
- (b) Control number (which is located in the extreme top right-hand corner of the license);
- (c) Commodity description;
- (d) Country of destination; and
- (e) The name and address of the applicant or the agent or individual having actual possession of the license.

4. The notice of extension, if granted, then will be sent directly to the person having possession of the license.

B. EMERGENCY REQUESTS FOR EXTENSION OF EXPORT LICENSES

1. Emergency requests to extend the period of validity of licenses to export to any of the Selected Destinations may be submitted by letter, telegraph or telephone to the Office of Exports, Office of Economic Warfare, Foreign Economic Administration, Washington 25, D. C., or to the New York Office of the Foreign Economic Administration, which will forward the request to the Washington Office for decision.

2. Emergency requests must contain the same information as set forth in paragraph A (3) above.

3. The notice of extension, if granted, will be sent to the applicant or the agent or individual having actual possession of the license. This notice of extension must be attached to the license.

4. Requests by telephone or telegraph may be made for only those cases where immediate extension of a license is absolutely necessary for urgent and specified reasons.

IV. Idle and Distressed Steel.

Current Export Bulletin No. 128 (Subject II (Announcement 495 in FOREIGN COMMERCE WEEKLY for October 30) provided that approval of the Steel Recovery Branch of WPB in Pittsburgh was required before the Office of Exports will issue a license to export idle or distressed steel. Effective November 1, 1943, all exportations of steel which are to be licensed as idle, excess, and/or distressed steel must be approved by the War Production

Board regional office where the steel is situated or by the Surplus Inventory Branch of the Steel Division in Washington, D. C.

This changed procedure is necessary because the Steel Recovery Branch of WPB was abolished on November 1 and the inventory of idle, excess, and/or distressed steel maintained by it was distributed among the WPB regional offices. Each WPB regional office will maintain an inventory of available stocks of such steel within its region and an inventory of significant quantities will be maintained by the Surplus Inventory Branch in Washington, D. C.

Inquiries concerning stocks of idle, excess, and/or distressed steel should be directed to the War Production Board regional offices or to the Surplus Inventory Branch of the Steel Division, WPB, Washington, D. C.

V. Certain Copper, Brass and Bronze Automotive Replacement and Repair Parts Included in Related Commodity Groupings.

In response to requests received from exporters of automotive and replacement parts, certain copper, brass and bronze automotive repair and replacement parts, when exported solely as automotive replacement parts, may be entered on a single export license application provided that the supply assistance in the form of allotments or priority ratings is not needed. The list of related commodity groupings, pages 104-105 Comprehensive Export Schedule No. 12, is amended by the addition of the following items:

95. Copper tubing, cables, high tension wire; brass and bronze valves, shims, bushings and bearings when exported solely as automotive repair and replacement parts. Schedule B numbers 6422.00, 6425.00, 6430.00, 6435.00, 6464.58, 6479.01.

NOTE: This procedure cannot be followed if supply assistance is required for the reason that basic CMP materials and CMP Class B products are involved. Different procedures are followed in giving supply assistance for the CMP materials and Class B products, and paper work problems arise which offset any other advantages if they are entered on a single license application. It should be clearly indicated that they are required solely for automotive repair and replacement purposes, when these commodities are entered on a single export license application.

VI. Radio Transmitting Tubes—Schedule B Nos. 7076.05 and 7076.98.

A. Because of the short supply, licenses for the exportation of radio transmitting tubes (Schedule B Nos. 7076.05 and 7076.98) for general resale purposes will not be issued from this date forward.

B. Exportation of such tubes to radio stations, for their own use only, will be authorized under individual or SP program licenses.

C. Applicants for licenses to export radio transmitting tubes to radio stations are required to submit a separate application to cover shipment to each individual station, except where such radio transmitting tubes are included as part of a program covered by SP license application.

D. Applications must be submitted in accordance with the procedure for the issuance of Individual Licenses as outlined in the Current Comprehensive Export Schedule, or, where an SP program has been submitted in accordance with the procedure outlined for the issuance of SP licenses.

E. To expedite the processing of the license applications and to insure an equitable distribution of radio transmitting tubes, exporters must give full and complete information in answers to the questions set forth in the license application. They are required to:

- (1) Indicate the call letters after the name of the radio station for which the tubes are intended;
- (2) Specify the quantity and unit value of each type of tubes required when giving the description thereof;
- (3) Under "End Use" specify the power of the station for which the tubes are intended.

VII. General License G-PUB Extended to Group M Destinations and Extended to Include Music in Books and Sheets.

General License G-PUB, authorizing the exportation of publications not devoted to technical, scientific, or professional matters, is hereby extended to include such exportations to Group M destinations. The provisions of general license G-PUB and the destinations included in Group M are set forth in Comprehensive Export Schedule No. 12, pages 88 and 76, respectively.

Parcel post shipments under general license G-PUB to Group M destinations will be unrestricted, but the importer in the country of destination must still clear ocean freight shipments of commodities exported under general license G-PUB with his local territorial government (by obtaining an import license) and with the Middle East Supply Center (by obtaining a rating on the import license). When this has been accomplished, the Middle East Supply Center in Cairo will certify the case to the New York Office of the Combined Agency for Middle East Supplies, 43 Exchange Place, New York City. Exporters will make arrangements with the New York Office of the Combined Agency for Middle East Supplies with regard to shipping commodities by ocean freight under general license G-PUB.

The list of types of publications not containing technical data which are exportable under general license G-PUB is supplemented by adding the following:

Commodity description Schedule B number
Music in books and sheets 9523.00

IMPORT CONTROL

No. 40—Supplemental General Imports Order M-63-g, Making Imports of Specified Products Into Puerto Rico and the Virgin Islands of the United States Subject to the Provisions of M-63

A supplement to General Imports Order M-63, designated as Supplemental General Imports Order M-63-g, dated November 30, 1943, has been issued by the War Production Board, and is to become effective December 6, 1943.

The purpose of this supplemental order is to extend the import control provisions of General Imports Order M-63 to Puerto Rico and the Virgin Islands of the United States.

with respect to imports into those areas of a specified list of commodities attached to the order.

The effect of this order will be to require persons desiring to import these commodities into Puerto Rico and the Virgin Islands of the United States to procure specific authorization of the War Production Board before they proceed.

It should be noted that while this order will control the importation of these commodities into these islands, including the same commodities imported from continental United States, the existing importing restrictions of M-63 will remain in effect insofar as the importation of commodities from the islands into the United States is concerned.

The text of the new supplemental order follows:

PART 1042—IMPORTS OF STRATEGIC MATERIALS

[Supplemental General Imports Order M-63-g]

Pursuant to General Imports Order M-63, as amended, which this order supplements, it is hereby ordered that:

§ 1042.8 *Supplemental General Imports Order M-63-g.* All the provisions of § 1042.1 General Imports Order M-63, as amended from time to time, are hereby extended to cover Puerto Rico and the Virgin Islands of the United States, the same as if such territories were part of the continental United States, *Provided:*

(1) Such provisions shall apply only to transactions in materials listed from time to time on Schedule X hereto attached, effective as of the dates shown in such schedule, and for this purpose, materials on Schedule X shall be considered the same as materials on List III of General Imports Order M-63;

(2) Such provisions shall apply to the importation of materials on Schedule X from the continental United States into Puerto Rico and the Virgin Islands of the United States;

(3) Notwithstanding issuance of this supplemental order, the provisions of General Imports Order M-63, as amended from time to time, shall continue to apply to the importation of materials covered by such order from Puerto Rico and the Virgin Islands of the United States into the continental United States and

(4) The issuance of this supplemental order shall not affect any regulations now or hereafter issued by any governmental authority covering exports of materials from the continental United States to Puerto Rico and the Virgin Islands of the United States.

This order shall become effective on December 6, 1943.

Issued this 30th day of November 1943.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

SCHEDULE X

The numbers listed after the following materials and in the column titled "Commerce Import Class No." are commodity numbers taken from Schedule A, Statistical Classification of Imports of the Department of Commerce issue of January 1, 1943. Materials are included in the list to the extent that they are covered by the commodity numbers listed in that column.

Material	Commerce Import class number	Effective date
Animal oils and fats, edible.	0036.000-0038.000 inc.	Dec. 6, 1943
Corn.	1031.000	Dec. 6, 1943
Corn, cracked.	1090.180	Dec. 6, 1943
Fish and fish products, except shellfish.	0047.000-0079.500 inc.	Dec. 6, 1943
Meat products.	0018.000-0085.500 inc.	Dec. 6, 1943
Oil cake and oil-cake meal.		
Peanut.	1119.000	Dec. 6, 1943
Soybean.	1112.000	
Soap (except castile) and soap powder.	8712.300-8719.900 inc.	Dec. 6, 1943

News by COUNTRIES

(Continued from p. 19)

exceeded all previous figures. The following table shows receipts and expenditures in the years 1938 through 1942:

Year	Working receipts	Working expenditures
	<i>Francs</i>	<i>Francs</i>
1938	10,000,000	7,000,000
1939	12,000,000	8,000,000
1940	18,000,000	9,000,000
1941	21,000,000	11,000,000
1942	22,000,000	11,000,000

The number of passengers carried during 1942 is reported to have reached the high total of 4,300,000, compared with 3,850,000 in 1941, while passenger receipts totaled 5,250,000 francs in 1942 compared with 4,780,000 francs in 1941. This was attributed to the curtailment of road traffic, as well as increased holiday and military travel. A slight decrease in freight traffic was reported for 1942 com-

pared with the record attained in 1941. In 1938, the figures were 1,595,000 metric tons; in 1939, 2,011,000; in 1940, 3,259,000; in 1941, 4,289,000; and in 1942, a high of 4,248,000.

United Kingdom

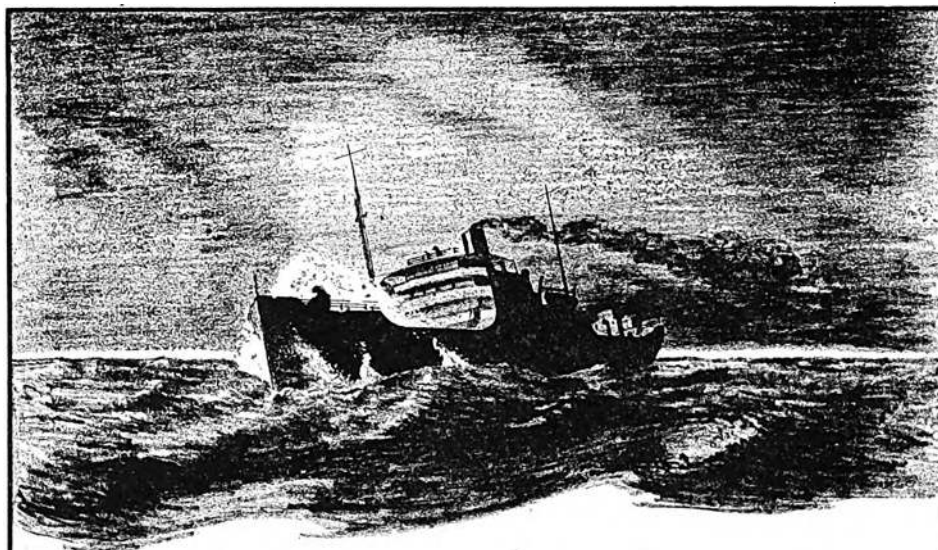
Transport and Communication

Shipping Companies Form Company To Operate Air Services.—Five British shipping companies engaged in commerce between England and South America have formed a company for the purpose of operating air services between the two regions, states the British press.

These lines are: The Royal Mail Line, Ltd., the Blue Star Line, Ltd., the Pacific Steam Navigation Co., the Booth Steamship Co., Ltd., and Lamport and Holt Line, Ltd.

The company plans to be in a position to operate as soon as the necessary consents and machines can be obtained.

The Nazi occupation authorities in the Netherlands are considering the abolition of the Dutch-Nazi Agricultural Front because it has run up a large financial deficit, says a Netherlander who recently escaped to London. The escapee states that the deficit incurred during the year and a half of operations amounted to 3,000,000 guilders, or about \$1,600,000. The Germans, he says, demanded that E. J. Roskam, head of the Agricultural Front, make good the loss by levies upon members and that, if this did not succeed, the Front might be abolished.



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SHIPS FOR VICTORY

Peru, an Expanding Chemical Market

(Continued from p. 7)

other years is a most significant event and substantiates the belief that trade between these two countries is capable of substantial development. Imports of chemicals and allied products from Chile accounted for 11 percent of the total chemical imports in 1942, or \$1,000,000. Fertilizers, primarily nitrogen,

however, were responsible for 78 percent of this value. Principal items from Chile which increased considerably in 1942 were, in metric tons: glue, 134 (\$41,000); copper sulfate, 198 (\$4,000); insecticides and fungicides, 607 (\$2,000); sodium sulfide, 310 (\$63,000); sodium bicarbonate and sulfate, 1,075 (\$2,500); and medicinal preparations, \$1,300.

More than 500 individual chemical items are recorded in the official Peruvian statistics, *Anuario del Comercio Exterior del Peru*, from which the information in the following table was taken:

Imports of Principal Chemicals and Allied Products Into Peru During 1940-1941

Item	1941		1942	
	Quantity	Value	Quantity	Value
	Metric tons	Thousand soles	Metric tons	Thousand soles
Butyl acetate.....	21	35	33	79
Acetylsalicylic acid.....	9	121	5	45
Citric and tartaric acids.....	58	415	49	415
Formic acid, industrial.....	30	120	31	108
Camphor, natural or synthetic.....	9	85	2	21
Aluminum sulfate and other aluminum salts.....	1,044	223	394	99
Ammonia, liquid.....	105	124	88	79
Ammonium compounds.....	68	88	70	138
Calcium, oxide.....	1,635	210	270	32
Calcium carbide.....	1,060	778	1,074	828
Calcium hypochlorite.....	222	429	434	758
Carbon, animal and vegetable.....	115	146	132	202
Chromium chemicals for tanning.....	122	161	278	390
Dextrine.....	166	129	87	72
Gases.....	19	64	32	62
Glycerine.....	75	147	100	324
Potassium xanthate.....	151	513	154	557
Potassium compounds, other.....	87	197	88	282
Trade-marked specialty compounds.....	32	813	48	201
Zinc-oxide, industrial.....	24	65	13	24
Zinc sulfate.....	251	129	256	244
Litharge.....	77	96	36	65
Coal-tar colors.....	251	2,701	185	2,860
Sulfur colors.....	143	651	146	840
Tanning extracts.....	2,476	1,418	2,276	1,320
Oils, flotation, for mining.....	280	572	232	419
Crude drugs.....	24	141	15	93
Alkaloids and salts, n. e. s.....	(1)	170	(1)	256
Caffeine and salts.....	(1)	52	(1)	84
Salvarsan.....	6	821	3	256
Serums and vaccines.....	6	586	7	423
Medicinal pharmaceutical preparations, n. e. s.....		8,549		7,425
Disinfectants, formaldehyde, etc.....	129	91	69	99
Synthetic perfume materials.....	1	53	1	44
Essential oils and extracts, natural or synthetic.....	34	956	27	1,109
Insecticides, fungicides, etc.....	2,944	2,439	1,390	1,118
Quinine and salts.....	13	1,731	5	724
Sodium hydrate and hypophosphite.....	2,212	915	4,523	2,166
Sodium carbonate.....	3,475	752	9,154	2,578
Sodium sulfide.....	322	205	448	545
Sodium cyanide.....	523	909	645	1,028
Sodium silicate.....	622	192	242	99
Other sodium compounds.....	834	788	1,429	911
Fertilizers and materials.....	6,705	1,190	31,225	5,589
Mineral earth pigments and blacks.....	306	260	176	193
Ultramarine blue.....	106	218	134	312
Zinc white.....	251	294	225	347
Paints and enamels.....	821	1,510	906	1,826
Pyroxylin lacquers.....	110	386	160	506
Varnishes.....	48	157	19	77
Linseed oil.....	307	484	221	381
Turpentine and substitutes.....	308	324	239	388
Waxes, bees', and vegetable.....	39	306	24	233
Glues.....	118	153	179	406
Rosin.....	894	378	771	468
Printing ink.....	219	340	145	376
Explosives, dynamite, etc.....	2,789	4,967	2,891	4,878
Soap:				
Common.....	76	100	116	147
Toilet.....	31	109	18	73
Dentifrices.....	180	1,426	70	795
Parfumery, toilet preparations, and materials.....	119	990	66	688

1 Less than 1 ton.

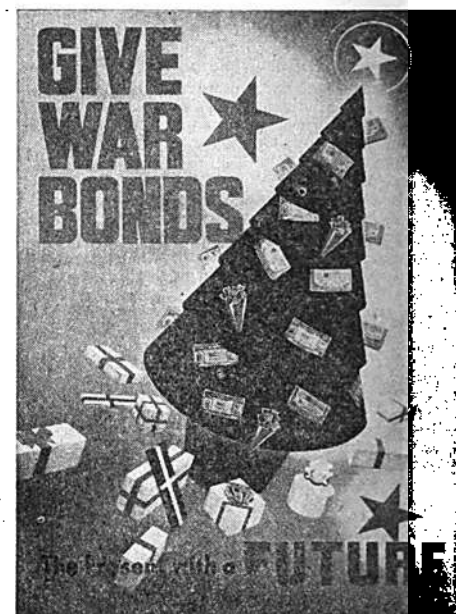
NOTE.—One sol approximates \$0.15 United States currency.

Changes Reflect New Shifts

In the foregoing table, increases in 1942 were due to expanded industrial requirements, and declines, for the most part, not to decreased demand, but to inability to procure the materials, especially if uses were not indispensable

either to the war effort or civilian welfare. If comparison of the more important chemicals is made with earlier years, the expansion in Peruvian manufacturing industry in general is indicated.

Growth in the textile industry is evident from the increases in certain chemicals, particularly in receipts of coal-tar



colors and dyes, which rose from 475,000 pounds (\$355,000) in 1938 to 730,000 pounds (\$554,000) in 1942, and in trade-marked specialty compounds from 95,000 pounds (\$35,000) to 180,000 pounds (\$50,000) in 1941. The decline to 107,000 pounds (\$30,000) in 1942 of these specialty items was probably due to inability to procure them from Germany and other belligerents.

Cotton growing and exporting has been an important part of Peruvian economy for many years. As part of the industrialization movement, more cotton mills have been erected in recent years, until in 1941 figures indicate that 42 mills, with a working capital of 36,477,700 soles and 9,900 employees, were engaged in all branches of the textile industries. Annual production in that year was valued at 57,936,000 soles (\$8,700,000).

The tripling of caustic-soda imports from 3,150,000 pounds (\$70,000) in 1938 to 9,970,000 pounds (\$325,000) in 1942 reflects the activity of a large number of small factories using this commodity. Principal consumers are the soap, oil, lard, and paper factories and textile mills. The United Kingdom and the United States have been the chief suppliers.

Soda ash imports, in attaining new heights, also represent the greater industrialization of the country. During the last 15 years, imports of this item have quadrupled. Glass factories are the largest consumers, followed by mining and petroleum companies, washing-soda factories, textile mills, sugar refineries, and many others.

Demands of the mining industry and oil refineries are chiefly responsible for the large increases from 1938 to 1942 of the following three chemicals: Potassium xanthate imports advancing from 160,000 pounds (\$35,000) in 1938 to 340,000 pounds (\$85,000); flotation oils from 250,000 pounds (\$33,000) to 510,000 pounds (\$65,000); and sodium cyanide from 1,300,000 pounds (\$145,000) to 1,400,000 pounds (\$155,000).

Calcium-carbide imports also have nearly doubled, from 1,300,000 pounds

(\$37,000) in 1938 to 2,400,000 pounds (\$125,000), because of amounts required for welding as well as the demand in mining.

Imports of explosives, always appreciable, are used in mining and road construction. Dynamite, the chief item, is largely of United States origin.

The class "fertilizers and fertilizer materials," the second largest single item in 1942, jumped because of demand. More and better crops had to be raised to aid in the food supply, and, since money was available, larger amounts of fertilizers were used.

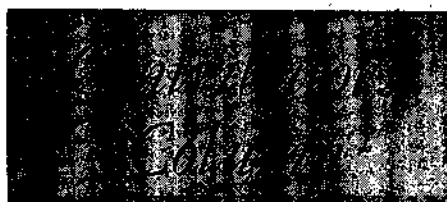
Notwithstanding the expansion in the local medicinal industry, medicinal and pharmaceutical preparations continue to be imported. Peruvians are said to prefer foreign medicinals when they can afford them. Paints, lacquers, and varnishes likewise continue to be imported for the same reason, despite the growing importance of the domestic industry.

Decline in soap importations, however, is one example wherein the local commodity has obtained a larger portion of the market. In 1938, imports of common soap amounted to 562,200 pounds (\$41,000) and in 1942 to 255,000 pounds (\$22,000). Toilet soap is not manufactured extensively, and its imports dropped only slightly from 50,700 pounds (\$16,000) to 40,000 pounds (\$11,000).

Peru as Supplier

Peru has been known for some time as a leading supplier of barbasco or cube root, coca leaves, cochineal, guano, and a few other crude commodities, but otherwise chemical export trade has remained relatively unimportant.

At one time world-famed Peruvian guano was exported in considerable amounts, but, as deposits have approached exhaustion, restrictions have been enforced limiting extraction and exportation. In 1941, approximately



C. C. Concannon (co-author "Peru, an Expanding Chemical Market").—See the October 16, 1943, issue of FOREIGN COMMERCE WEEKLY.

Mary B. MacKrell ("Aviation in Chile").—See the July 3, 1943, issue of this magazine.

Anna Hazel Swift (co-author "Peru, an Expanding Chemical Market").—See the May 29, 1943, issue.

Amos E. Taylor ("Domestic Prosperity and Foreign Trade").—See the October 23, 1943, issue.

\$200,000 (8,500 tons) worth was exported, but none was recorded for 1942. Absence of guano exports reduced the total value of chemical exports to less than \$450,000 in 1942, according to export statistics, compared with \$650,000 in 1941.

In monetary value, barbasco or cube root was the most important chemical export item. For the past 10 years production and exports of this insecticide material have been expanding. In 1934, only 234 metric tons of cube root were exported, and in 1942 1,625 tons.

Of outstanding interest in 1942, however, was the shipment of a small amount of pyrethrum flowers for the first time. With the growing demand for pyrethrum and with former sources cut off or limited in supply, Peru has been devoting more attention to the growing of this item—with success. Exports of other products have varied from year to year, but no important changes have occurred.

Exports of Principal Chemicals and Allied Products From Peru in 1941 and 1942

Item	1941		1942	
	Quantity	Value	Quantity	Value
	Metric tons	Thousand soles	Metric tons	Thousand soles
Beeswax.....	13	26	16	52
Cochineal.....	38	65	47	81
Coca leaves.....	433	322	465	347
Cocaine, crude.....	1	348	(1)	90
Cinchona bark.....	4	7	3	6
Barbasco or cube root.....	1,276	1,849	1,625	2,616
Cream of tartar.....	17	29	3	9
Insecticides, fungicides.....	33	36	102	166
Sulfur, crude.....	950	50	890	96
Oxygen in cylinders.....	39	12	32	12
Pharmaceutical specialties.....	68	307	46	120

¹ Less than 1 ton.

Sao Paulo, coffee capital of the world and Brazil's second largest city, has been made a regular stop on Pan American Airways' daily coastal service between Rio de Janeiro and Buenos Aires.

New Link Added to Mexico's Expanding Highways

Another important addition has been made to Mexico's fast-growing system of modern highways, now proving of timely aid in wartime development of overland communications and strategic production.

The new Tequila-Tepic road, recently inaugurated with ceremonies attended by President Avila Camacho, is an 86-mile stretch of the Federal highway running from Guadalajara along the west coast of Mexico to Nogales, Arizona, at the Mexican-United States border.

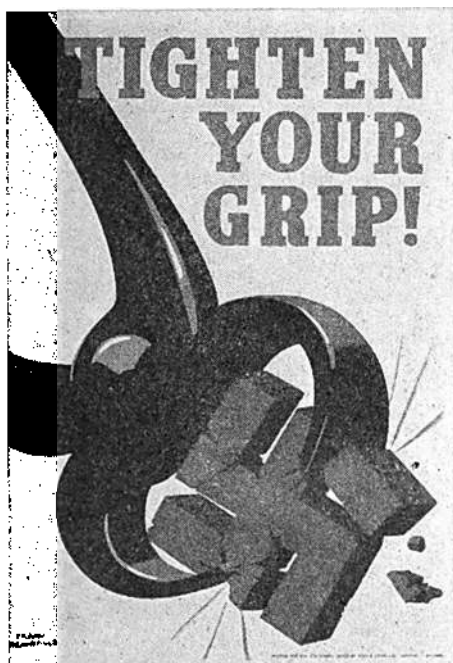
From Tepic it is now possible to travel on an all-weather surface, 10 meters in width, to Mexico City via Guadalajara. At Mexico City connection can be made with the Inter-American Highway, which is being built toward the Panama Canal Zone. When the Nogales-Guadalajara highway is finished it will be the most direct motor route from California and Arizona to Central America.

Thus far, the Inter-American Highway south of Mexico City has been paved beyond Huajuapán de León. A dry-weather road, already opened to traffic, has been extended as far south as Nejaapa.

From Oaxaca City, midway between Huajuapán de León and Nejaapa on the Inter-American Highway route, another new 110-mile highway to Puerto Angel, a vital port on the Pacific coast, is scheduled to be opened to traffic soon.

Norway's "Underground" Looks to Post-War

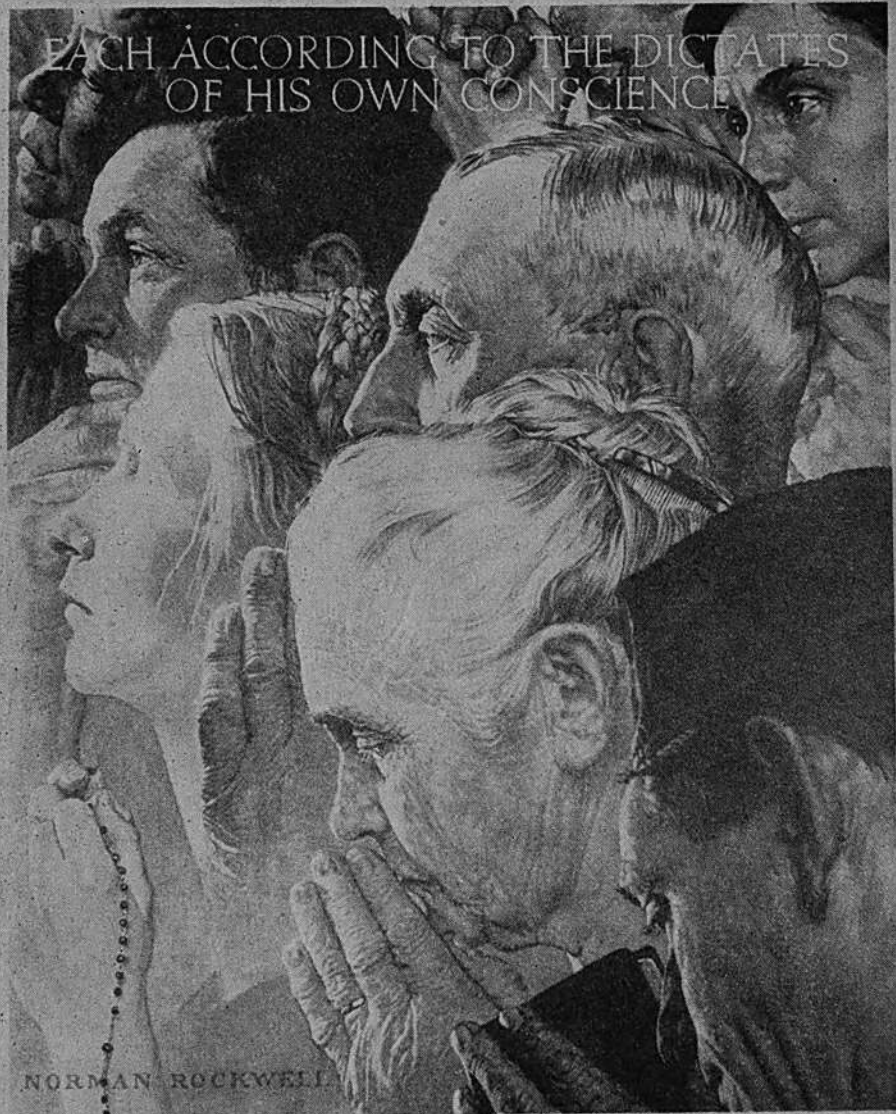
The people of Norway's home front are giving thought to the problems that will arise after the war. The prominent underground newspaper *Fri Fagbevegelse* recently pointed out one of these by stating: "The decline in the standard of living for workers in Norway is, according to statistics, about 50 percent, but in reality the situation is far worse. One of the foremost problems that will arise after the war will be that of making available some form of compensation for the price increases. It must also be understood that the shortage of goods during the war, coupled with reduced purchasing power, has created a tremendous need for the replacement of clothes, furniture, household equipment, etc., which working people will not be able to cover even with wage compensations. Through mutual agreements between employees and employers, preferably with the cooperation of the state or municipality, there must be created an agency which will guarantee the purchase of these items at lowest possible cost and with a view to easy amortization terms. We feel confident that the co-operation which has been established in the fight against the Nazi power and the traitors will also continue when the time comes to tackle the work of reconstruction."



Courtesy Office of War Information

SAVE FREEDOM OF WORSHIP

EACH ACCORDING TO THE DICTATES
OF HIS OWN CONSCIENCE



NORMAN ROCKWELL

BUY WAR BONDS

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Foreign Commerce

WEEKLY

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December 18, 1943



IT'S ECUADOR'S
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Foreign Commerce Weekly

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THIS WEEK

Canadian Hinterland of the Alaska Highway.....	3
Post-War World Communications.....	8
Future Forest Vistas in American Republics.....	11

DEPARTMENT OF COMMERCE

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tomhouse.
Savannah, Ga., 403 U. S. Post Office
and Courthouse Bldg.
Seattle 4, Wash., 809 Federal Office
Bldg.

News by COUNTRIES

Afghanistan.....	12	Kenya and Uganda.....	14
Belgian Congo and Ruanda-Urundi.....	12	Malta.....	15
British Honduras.....	12	Mauritius.....	15
Bulgaria.....	12	Mexico.....	15
Chile.....	12	Newfoundland.....	17
Dominican Republic.....	14	Paraguay.....	17
Ecuador.....	14	Spain.....	17
France.....	14	Switzerland.....	17
French North Africa.....	14	Union of South Africa.....	17
Guatemala.....	14	United Kingdom.....	31
Haiti.....	14	Uruguay.....	31

News by COMMODITIES

Automotive Equipment.....	18	Oils and Oilseeds.....	23
Chemicals.....	18	Paper and Related Products.....	24
Electrical Machinery and Equip- ment.....	19	Peat.....	25
Foodstuffs and Allied Products.....	19	Petroleum and Products.....	25
Iron and Steel.....	21	Railway Equipment.....	25
Leather and Related Products.....	21	Rubber and Products.....	25
Lumber and Products.....	21	Scientific and Professional Equip- ment.....	26
Machinery, Other Than Electrical.....	22	Shipbuilding.....	26
Metals and Minerals.....	23	Textiles and Related Products.....	26
Motion Pictures and Equipment.....	23	Tobacco and Related Products.....	27
Naval Stores.....	23	Toiletries and Essential Oils.....	27

REGULAR DEPARTMENTS

Trade-Mark Applications.....	29	Foreign Commerce Statistical Deci- sion.....	32
New Books and Reports.....	32	Pertinent Comments on World Econ- omy Today.....	13
Latin American Exchange Rates.....	28	Contributor's Column.....	32
Announcements Under the Recipro- cal Trade Agreements Act.....	30		

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Cover photo: From C. I. A. A.

Canadian Hinterland of the ALASKA HIGHWAY—

What Resources Exist—What Trade Potentialities?

THE OPENING of that famed military road, the Alaska Highway, has focused the attention of the United States on the remote and long-inaccessible regions of the Canadian Northwest. With the spotlight of publicity beating upon it for the past year, this area, one of the world's vast wilderness, has taken on (in many persons' concepts) the aspect of a new economic frontier and has been invested in the public mind with prospects of unlimited development. Prospective settlers, tourists, and owners of small business are looking forward to the day when there will be free use of the new road and they can take a look at the country made famous by the fur traders and the "sourdoughs" who have given it such a romantic history.

Their interest has already raised questions as to what kind of economic activity can be expected to follow the road's bold conquest of the bush and muskeg. What we know of the country suggests that it will not be easy to evaluate the situation. Except for gold mining and fur trading in certain portions, it has remained an almost unoccupied wilderness. Most of the people who have braved the physical hardships of the country in past years have gone there in search of quick wealth in minerals or the fur trade. Although some of them showed great interest in the future of this primeval country and as a result of their travels and exploration left their names indelibly etched in its history, the majority had no means of influencing the development of a permanent economic structure. A big stretch of this northwest country is therefore what it was years ago—a land of distances, difficult terrain, and inhospitable climate, with a small population and an interesting if somewhat vague list of economic possibilities.

Recognizing this, both the Canadian and the United States Governments have undertaken an integrated program of basic geographic and resource surveys, including mapping, meteorological, geological, land and mineral explorations as well as an examination of the scenic and recreational possibilities of the region. When such surveys are completed and an assessment of the region's potentialities can be made, the first step will have been taken to insure its economic growth in the post-war era.

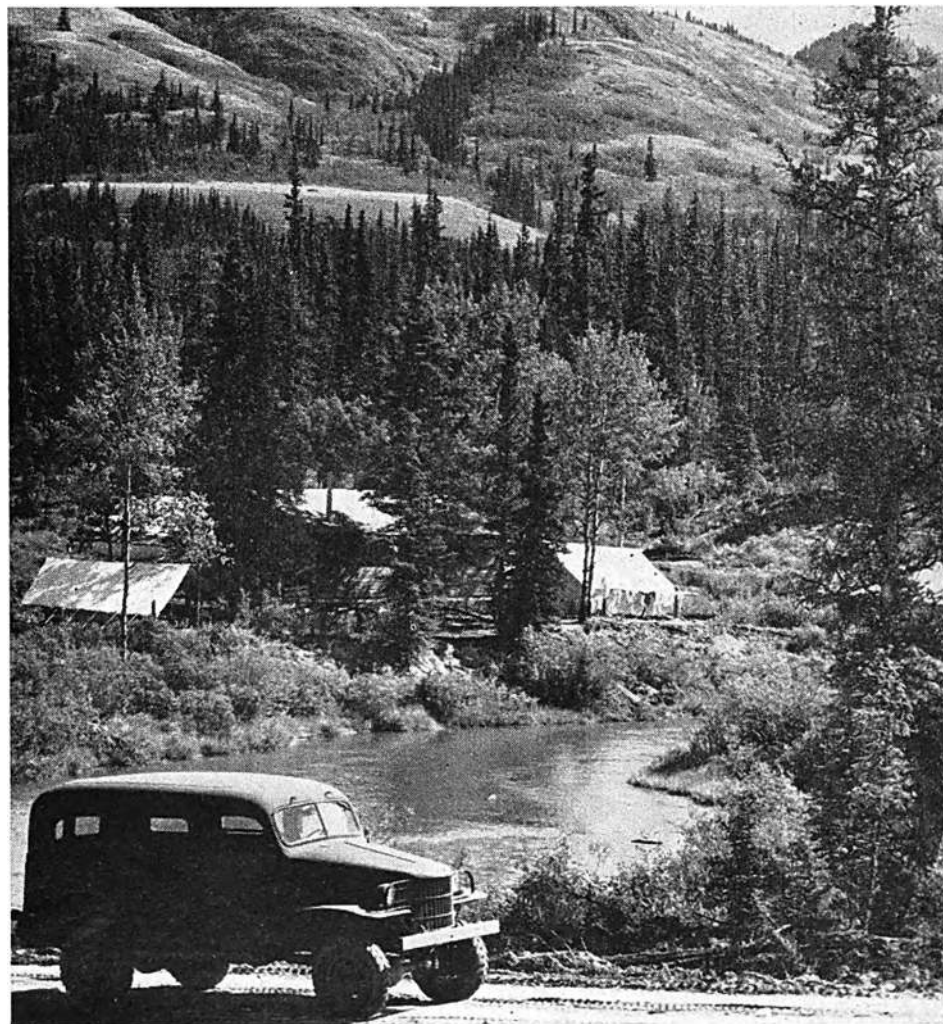
Aspects of Transport

In the meantime it may be of interest to our readers to sum up some general

By DAVID FELLMAN, *British Empire Unit, Bureau of Foreign and Domestic Commerce*

information on the region. From the viewpoint of transportation development, this vast expanse has been handicapped but not entirely devoid of means of communication. The Alaska Highway itself is 1,600 miles long, 24 to 36 feet wide, and extends from Dawson Creek, British Columbia, at the northwestern terminus of the Northern Alberta Railroad, through Whitehorse, Yukon Territory, to Fair-

banks, Alaska. About 10,000 United States engineer troops and 4,000 civilians, of whom half were Canadians, hewed their way through the bush, bridged the rivers, overcame mountain grades, and made a roadbed to provide the first overland connection between the United States and Alaska. The United States paid for and supervised the construction of the road and now controls all traffic over it. This control of Canadian territory, however, is only a wartime measure, for on the basis of present plans the Dominion will inherit the highway 6 months after the war is over.



W. I. B. photo

Rugged, impressive, desolate, is most of the terrain along the new Alaska Highway.

As an opening from the south to this mysterious hinterland the Alaska Highway has long been preceded by a 305-mile railway in Alberta from Edmonton to Waterways, and from that point by the Mackenzie River system which is surpassed in length in North America only by the Mississippi-Missouri system. From June to October each year it is possible to travel by shallow-draught stern-wheel river steamers northward from Waterways over a network of rivers and lakes beyond the Arctic Circle to the Mackenzie Delta and the Arctic port of Aklavik—a distance over 1,600 miles. The only interruption in navigation along this stretch is a 16-mile series of rapids straddling the Alberta-Northwest Territories boundary line between Fitzgerald, Alberta, and Fort Smith, N. W. T. There is a portage along a motor road between these two towns, but a ship canal may eventually replace this overland haul.

Aviation's Role

Aviation, too, which is peculiarly the tool of a sparse population required to travel great distances, has had a good deal to do with the development of the country in the past two decades. Probably in no other section of the world has there been greater confirmation of the truth to be found in the words of Undersecretary of Commerce Wayne C. Taylor, who recently said that " * * * in exploration and in pioneering the development of remote areas by air transportation will precede other types of transportation rather than follow them." By reason of the global contour of the earth, the shortest route between many far-flung points passes over or in close proximity to the northern land belt. The significance of this feature in the future commerce and growth of this region cannot be overlooked, and it is now the subject of considerable study by both the Canadian and the United States Governments. The Alaska Highway, in fact, was built primarily to secure the military airway which extends from Edmonton northwestward through Grand Prairie in Alberta, Fort St. John and Fort Nelson in British Columbia, Watson Lake and Whitehorse in Yukon Territory, across the Alaska border to Tanana Crossing and on to its terminus at Fairbanks, Alaska.

Edmonton's Position Today

The Highway, beginning as it does at Dawson Creek in British Columbia, is shut off from the southern portions of that Province by high mountains. It has consequently developed rail and air connections through Edmonton, the capital of the adjoining province of Alberta, which has long been known as a jumping-off place for travel to the north. All traffic for the Highway is being syphoned through Edmonton. Because of this the city now holds the unique record of being one of the greatest, if not the greatest, military and commercial air-freight centers of the world. In 1921 Edmonton had a population of

59,000, by 1941 this had increased to 94,000 and the population has now grown to 105,000.

British Columbia, Alberta

The political divisions of the Dominion through which the Highway passes are the Province of British Columbia and the Yukon Territory. Adjoining it on the east is Alberta and on the northeast the Northwest Territories, the name given all that land which extends north of the Prairies to the Beaufort Sea and Hudson Bay.

Although this article deals mainly with the Northwest Territories and the Yukon Territory, often referred to as Canada's last frontier, it would not be complete without some prefatory remarks about the Provinces of Alberta and British Columbia. In comparison with the northern territories, these two Provinces have enjoyed a much greater degree of economic development.

Alberta is largely rolling or flat country which is well adapted to the large-scale production of spring-sown grains and of livestock. The forests of Alberta are of comparatively little interest. Although noticeably lacking in metallic minerals, Alberta produces 97 percent of the crude petroleum of Canada (practically all of this coming from the Turner Valley field, 35 miles southwest of Calgary) and 24 percent of Canadian coal. In addition to the currently producing oil fields of Alberta, there is one of the potentially largest known oil reserves in the world located in the McMurray area in the northern part of the Province, of which more will be said later in this article.

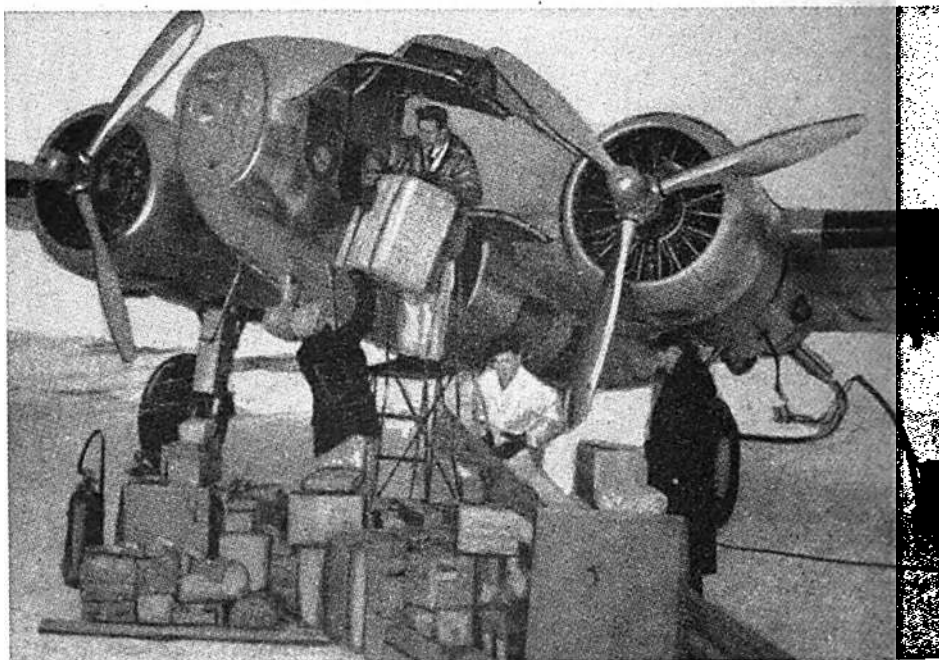
West of Alberta is the Pacific Coast province of British Columbia, a land of rugged mountains rich in forest resources and fertile valleys dotted with dairy farms and fruit orchards. The

mineral resources of British Columbia are extensive and varied. The Province is a key center of the production of base metals in Canada, producing 97 percent of the lead and 78 percent of the zinc of the entire country. British Columbia's mercury supplies two-thirds of the needs of the British Empire, and over one-half of Canada's silver is produced here. Generally speaking, gold and copper predominate in the coastal ores, and gold, silver, lead, and zinc in the interior ores.

N. W. T. and Yukon

North of Alberta and British Columbia the Northwest Territories and the Yukon Territory together account for a great land surface of 1,500,000 square miles of lakes, rivers, muskeg, plains, mountains, and forests in which there is a permanent population of only about 12,000 in the Northwest Territories and 5,000 in the Yukon. This population comprises Indians, Eskimos, and whites in nearly equal divisions. The Indians, numbering slightly over 5,000 in 1939, comprise half a dozen tribes and are concentrated along the Mackenzie River basin. There are about 5,000 Eskimos, most of whom, with the exception of a small inland group, are spread out along the extreme northern coast of Canada. There are approximately 6,000 white people, half of whom are engaged directly or indirectly in mining activities around Great Slave Lake in the southern part of the Northwest Territories and around Great Bear Lake in the northern part. The remainder of the whites are scattered through the territories as trappers, traders, mounted policemen, missionaries, wireless operators, and doctors—with their wives and children.

The population of the Yukon is almost entirely rural in character and boasts of only two sizable communities—the Klon-



Flying freight about to take off from Edmonton to far-northern points.

CPA photo

dike gold-mining town of Dawson, with a population in 1941 of 1,043, and Whitehorse, a community of 754 inhabitants in the same year. Whitehorse is now in the limelight as a buzzing center of wartime activity, but its present population is a closely guarded military secret. However, an article¹ recently published in Canada indicates that the population of Whitehorse and the surrounding territory now totals over 20,000. According to the same article, residents of this boom town foresee a steady and necessary post-war population of at least 3,000—a substantial increase over pre-war figures.

Administration Differs

The sparseness of the population is reflected in the form of government, which is not yet representative. The general government of the Northwest Territories is handled from Ottawa through the Northwest Territories Council. This body consists of six members, including the Deputy Minister of Mines and Resources as Commissioner, the Director of Lands, Parks, and Forests as Deputy Commissioner, the Royal Canadian Mounted Police Commissioner, and the Director of Indian Affairs. The Council has the power to make ordinances for the government of the Territories under instruction from the Governor General in Council or the Minister of Mines and Resources, subject to any act of the Dominion Parliament applying to the Territories, respecting such matters as direct taxation to raise revenue, establishment and tenure of territorial offices, maintenance of municipal institutions, administration of justice, issue of licenses, education, public health, property and civil rights, and generally all matters of a local nature.

The Yukon government is composed of a Chief Executive, called the Controller, and an elective legislative council of three members with a 3-year term of office. Even so, the Controller has the same powers to make ordinances covering territorial affairs as does the Commissioner of the Northwest Territories. Although the residents of the Yukon Territory, by virtue of their elective council, apparently have more "say" than Northwest Territories residents in the handling of their own political affairs, the Controller nevertheless administers the government of the territory under instructions from the Governor General or the Minister of Mines and Resources. In national Canadian affairs the Yukon Territory, unlike the Northwest Territories which has no representation, has one member in the Dominion House of Commons at Ottawa.

Climate Variable

One of the first facts which appears about the region is that remoteness and the lack of easy transportation have been a handicap but not an absolute

¹ Boom Metropolis on the Road to Tokyo, by Ronald A. McEachern, Toronto Financial Post, October 2, 1943.



bar to development. Another factor of tremendous importance has been the severity of the weather. The climate of the Pacific coastal lands of Canada and Alaska is tempered by the warm waters of the Japanese Current. The rugged Rockies, however, act as an effective barrier in preventing this equalizing influence from benefiting the interior. As a result, people living east of the mountains have to endure longer and colder winters than they would if they lived in the same latitudes along the Pacific coast.

In some districts in the interior the temperature may never rise above freezing for from 6 to 8 months, and in much of the area the subsurface soil is perpetually frozen. In the Mackenzie Valley, for example, the temperature drops as low as -55° and -60° F. The mean January temperature at Fort Norman, N. W. T., is -30° F., and in April only $+31^{\circ}$.

In contrast to the severe winters the temperature during the summer months of June, July, and August—when the midnight sun lengthens the day to 22 hours—may rise to as high as 90° in the shade. The mean July temperature at Fort Norman is $+60^{\circ}$ and at Whitehorse $+53^{\circ}$. The average daylight temperature during the summer months is about 70° .

Not only do the Pacific Coast mountains shut off the ocean warmth, but they also hold back the rains. On the north Pacific coast the rainfall in some

localities may average about 100 inches a year. But beyond the rim of the peaks, inland toward the east, this annual precipitation is cut to about 11 inches, which is not much more than the annual rainfall in the State of Arizona. However, with respect to agriculture, this arid condition is relieved somewhat by subsurface irrigation during the summer months from melting frozen ground. The heat, flies, and mosquitoes in the summer are reported to be more troublesome to the natives than the freezing cold during the winter.

The Fur Trade

In this climate nature has found a natural reservoir for fine fur-bearing animals. Fox, lynx, rabbits, beaver, muskrats, wolverines, marten, mink, and squirrels abound. The early exploration and settlement of Canada's northwest was mainly a result of the fur trade. Although this source of wealth has now taken second place to minerals, furs bid fair to remain one of the area's chief resources. In 1940 this territory supplied more than 600,000 fur pelts, valued at approximately \$1,500,000. In 1941 the value of this trade jumped to over \$2,600,000, and in 1942 it reached \$3,200,000—chiefly, however, by reason of a sharp rise in prices, as the number of skins comprising the annual output in 1941 and 1942 was less than in 1940.



W. I. B. photo

The fur trade is active in the great northern regions, but in value it now ranks second to the mineral output.

Inasmuch as the trapping and hunting of fur-bearing animals is the main source of livelihood of many native Indians and Eskimos, game laws throughout the Northwest Territories have been designed to help keep these natives independent and self-supporting. Thus native-born Indians and Eskimos or half-breeds born in the Territories and living the life of natives may engage in these endeavors without government license. With respect to others, licenses are issued only to British subjects who held licenses on May 3, 1938, and to children of British subjects who have reached the age of 14 and whose parents resided in the Territories for the past 4 years. Regulations in the Yukon Territory are not so stringent, and, although Indians and Eskimos require no licenses, permits to hunt and trap are granted to British as well as non-British subjects.

Area Highly Mineralized

The land through which the Alaska Highway passes (as well as the Rocky Mountains to the west and the Mackenzie Basin to the east) is known to be highly mineralized. There is a vast assortment of minerals, including copper, zinc, lead, gold, silver, nickel-cobalt, radium, and petroleum. Although low prices and long distances from populous centers have in the past proved to be a deterrent to the full development of these resources, gold and radium have been sufficiently valuable to overcome the handicap, so that the combined production of these exceeds in importance that of the

only other large industry of the area—fur trading.

In 1942 the total production of gold in the Northwest Territories and the Yukon was over 176,000 ounces, valued at about \$7,000,000, as compared with the 1941 output of approximately 145,000 ounces worth about \$5,500,000. Most of the Northwest Territories gold production is from the Yellowknife River area on the north shore of Great Slave Lake where gold was discovered in 1935. In 1942 the entire production, valued at \$3,736,000, was from this one source. About seven mines operate in this area, and other prospects have been opened in the adjacent Beaulieu River area, immediately east of Yellowknife Bay, and near Wray Lake, 120 miles north-northwest of the latter.

Yukon's gold output is obtained almost entirely from placer deposits, the large-scale dredging of which is carried on chiefly in the famous Klondike area, mainly in the vicinity of Dawson. The discovery of gold in this area in 1896 and the subsequent rush of prospectors forms one of the most picturesque chapters in the history of the North American continent. The value of gold production in the Yukon, as a result of the Klondike strikes, jumped from \$300,000 in 1896 to \$2,500,000 in 1897, \$10,000,000 in 1898 and skyrocketed in 1900 to an all-time high of over \$22,000,000. Up to the end of 1942 a total of approximately \$208,000,000 worth of gold has been taken from the Yukon Territory, of which about \$120,000,000 was obtained in the first 10 years following the Klondike discovery.

Echo Bay: Source of Radium

Discovery in 1930 of radium-bearing and silver ores at Echo Bay on the east side of Great Bear Lake gave a strong stimulus to exploration of the Northwest Territories. The Canadian company operating the mine at Echo Bay is one of the two companies in the world producing radium in any important quantity (the other is in the Belgian Congo). Pitchblende is refined at the company's plant at Port Hope, Ontario, where production capacity is reported to be 9 grams monthly. The company is said to be able to obtain about 1 gram of radium from 370 tons of pitchblende as taken from the mine. Uranium is also obtained at the rate of 7,800 pounds for each gram of radium extracted. Small amounts of polonium, radio-active lead, silver, and ionium are also produced. In addition to its value in the treatment of cancer, radium has found an increased importance since the outbreak of war, in the treatment of paint for instruments, especially those used on airplanes in night flying.

For military and other reasons it is not permissible to give a detailed breakdown of mineral production at this time. In lieu of such a breakdown, the following general groupings are presented as indicative of the present undeveloped stage of production and the relatively small part it has in the total output of Canada:

Mineral Production in Yukon and Northwest Territories in 1942

[Preliminary report]

Minerals	All Canada	Yukon	North-west Territories
Antimony, bismuth, cadmium, chromite, cobalt, magnesium, molybdenite, tin, tungsten concentrates, manganese ore	thousands of dollars.. 4, 178	1	15
Copper, nickel, lead, zinc..do.	167, 431	47	1
Gold.....do.	185, 948	3, 044	3, 736
Gold.....1,000 fine ounces..	4, 830	79	97
Silver.....thousands of dollars..	8, 585	210	9
Silver.....1,000 fine ounces..	20, 672	506	22
Other precious metals	thousands of dollars.. 19, 672		
Arsenic, iron ore, mercury, radium, uranium, selenium, tellurium, titanium ore	thousands of dollars.. 6, 948		1, 390
Total.....do.	392, 763	3, 301	5, 152

Source: Dominion Bureau of Statistics.

The output of silver in the Northwest Territories is obtained entirely from the silver-radium ores at Great Bear Lake. In Yukon, silver is obtained primarily from the silver-lead ores of the Mayo district. Concentrates from these two sources are usually shipped to a smelter in the United States.

Oil Production

Of even greater importance than the metals output, however, is the fact that the Northwest Territories have lately begun to produce petroleum in quantities sufficient to reinforce substantially the air defense of the Northwest. For some years, wells at Fort Norman, on

the Mackenzie River and almost at the Arctic Circle, have been a source of supply for the mining activities in the immediate vicinity. Now they are becoming a source of supply for the Highway, the airports along its route, and general war needs in Alaska and the North Pacific. Official figures show that in the first 4 months of 1943 these wells produced almost 60,000 barrels, whereas only 131 barrels were taken from the area in the corresponding months of 1942. Late production data, however, are unavailable because of their strategic importance.

This petroleum deposit has two valuable characteristics. Since oil is found at depths of only 1,800 to 2,000 feet, drilling is relatively easy. The oil also has remarkable viscosity. It is said to flow at temperatures of -60° F., so that it has been possible to lay pipe lines on top of the ground notwithstanding the low average winter temperatures. A 1,000-mile pipe line, known as the Canol project, is designed to carry the crude oil from the wells to a refinery which is situated in the vicinity of Whitehorse. It is proposed that from this town other pipe lines will branch out along the Highway serving military needs. The project contemplates the production of high-octane gas and also ordinary gasoline for trucks and fuel oil for naval craft in the Alaska area.

Fuel From Tar Sands?

It may be that the value of the Fort Norman wells will be largely restricted to the regions near and beyond the Arctic Circle. Farther south, however, is another potentially rich source of fuel in the tar sands of the Fort McMurray area. Three hundred miles north of Edmonton, along the Horse River and extending down the Athabasca River for some 60 miles and along the Christine and Clearwater Rivers, are exten-

sive beds of bituminous sand which, now that the fuel need is acute, are the subject of extensive research looking to the development of proper means of extraction.

The oil in these sands has apparently been subjected to less heat and pressure than oil produced from wells and is in the last stages of transfer from organic material through asphalt to oil. It is neither fluid enough nor under sufficient pressure to make its way into wells, and at the present time the oil contained must be extracted by washing with warm water. This is said to be neither satisfactory nor economical, and some of the best technical advice has been drafted with the aid of government funds to see if the problem can be solved. If it can be, oil reserves equal to all the known reserves of the world are said to be available. The Government of Alberta Province in which the sands are situated has estimated that they contain 100,000,000,000 barrels, while the United States Bureau of Mines places the figure at 250,000,000,000 barrels.

These oil resources are of peculiar interest to Canada because the Dominion is notably lacking in petroleum. At the present time, Turner Valley and other crude producers account for not more than 10,000,000 barrels a year. This amount is only about a sixth of Canada's consumption, and the bulk of the Dominion's oil requirements is imported from the United States and Latin America.

Hydroelectric Resources

Besides providing a course along which civilization may flow, some of the rivers of the Northwest Territories and the Yukon have considerable water-power possibilities. Aerial surveys in the Northwest Territories in recent years have made it possible to arrive at tentative estimates which indicate a total of

about 280,000 horsepower available under conditions of ordinary minimum flow. These surveys also reveal that during 6 months of the year when the waters come rushing down from the mountains and the rivers are full, as high as 690,000 horsepower is available. While dams would have to be built to store this seasonal energy and insure an even year-round source of power, the economy of the north has not progressed sufficiently to require such construction.

In the Yukon Territory, water-power resources of quite substantial magnitude are reported to exist in the Whitehorse and Mayo districts. Generally, these potential power sites are to be found chiefly on the upper reaches of the rivers. The climate and topography of the Yukon cause great variations in the seasonal flow of the rivers, with high flows in the open season and greatly diminished flows during the winter months.

The first water-power project to be brought into operation in the Northwest Territories was completed in 1940. This is situated about 20 miles north of Yellowknife. It can develop 4,700 horsepower and was built in connection with the mining operations of that locality. The Yukon developments, five in number, total 18,199 horsepower. A hydroelectric plant with a capacity of 15,000 horsepower drives the great placer gold-mining dredges on the Klondike River about 26 miles above Dawson. Another project also located in the Dawson area is capable of producing 3,180 horsepower. In both territories present water-power development has taken place almost wholly in connection with mining operations.

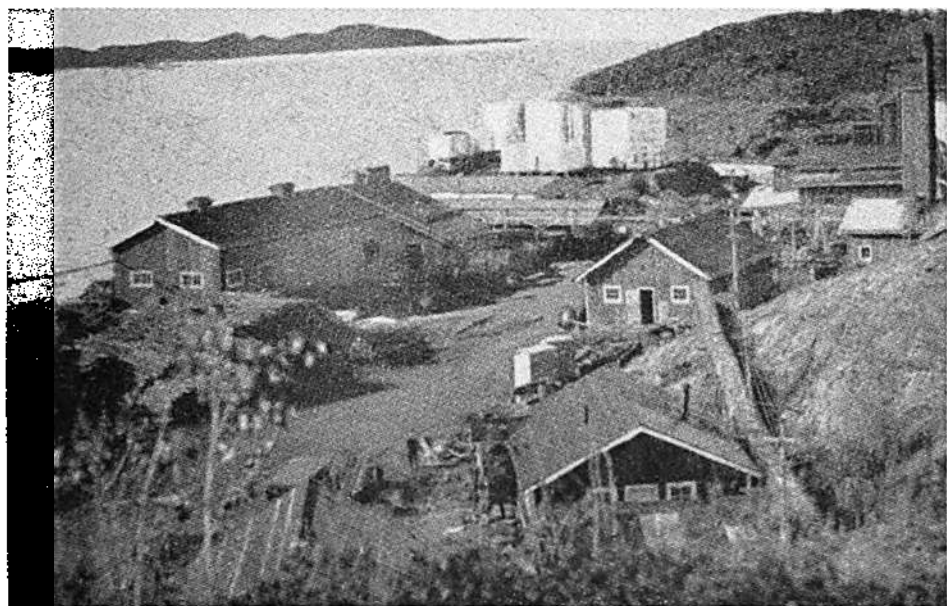
Agriculture's Future Uncertain

The biggest of the "unknowns" of this last frontier is the future of agriculture. The extensive farming development in the Peace River country of Alberta and British Columbia, at the point where the Highway begins in the south, disappears farther north. In the Yukon and Mackenzie River valleys, garden truck and some forage crops are grown during the short summer season, but on a small scale much more definitely of the subsistence type. In the whole of the Yukon Territory, for instance, there are less than 50 farms shown by the latest census, with about 5,000 acres in cultivation.

The problem there seems to be one of involvement of types of production that can survive the rigors of the seasons. Climate alone is not a bar to specialized production, since good yields of certain crops have been secured on experimental farms even within the Arctic circle. While the climate is not a total bar to production, neither is it an inducement, and what has been done in agriculture has been a byproduct of other types of migration. Meanwhile the bulk of food-stuffs requirements has been imported from the larger producing and processing centers.

In such a situation it would seem that transportation can serve agriculture best by providing other developments on

(Continued on p. 28)



CFA photo

In the Echo Bay region: Eldorado gold mines and property on Great Bear Lake where radium ore is mined—one of the most important producers of radium in the world.

Post-War World

COMMUNICATIONS

Of Enormous Scope and Vital Urgency, the Problems in this Field Demand Solutions That Will Aid International Trading Interests, Economic Activity, and All Efforts To Create a Sound World-Life

IN THIS COUNTRY freedom of communication has been accepted and placed into practical operation as a part of our everyday life. To us, the free flow of intelligence is commonplace. The freedom to speak, to write, to listen, and to see creates only a shallow impress upon our consciousness.

The developments of modern science which have made freedom of communication so vital in this Nation are seldom appraised in terms of their efficacy. Only by articulate reminders do we give more than a passing thought to the actual effectuation of this democratic principle. In modern complex society we could hardly understand one another without the free flow of intelligence. Nor could the solidarity of our people be achieved without it.

As George Washington said, the very capacity of the people for self-government depends upon the wide diffusion of knowledge. This is, indeed, in much more than a theoretical sense, one of the basic cornerstones of democracy. The newspaper is on the living-room table; the telephone is almost within arm's reach; telegraph facilities are available on a moment's notice. Numerous wire, cable, and radio circuits carry news and other intelligence to and from the far ends of the earth, while radio broadcasting functions as the greatest practical achievement in the field of mass communications.

Essential to Well-Being

Thus, we as a people achieve well-nigh the optimum benefits from both the theoretical principle and the practical mechanism which provide a free and full communication of intelligence. Obviously, all of this is essential to our happiness, to our acquaintanceship with and our sympathetic understanding of one another, and to our comprehension of the problems of the Nation and the world.

Today Chungking is nearer to New York than was San Francisco a few decades ago. Developments in the field of transportation and communication have made us neighbors with every other country. All of the arguments in favor of the closer understanding among the people of the different portions of this country in the earlier days are today applicable in terms of the world of tomorrow. As Woodrow Wilson said, "Do

By JAMES LAWRENCE FLY, *Chairman, Federal Communications Commission*¹

you not know that all the world is now one single whispering gallery?"

It is only natural, therefore, that at this critical juncture we should turn to a review of the problems of achieving *adequate communications between this country and the far reaches of the earth*. More depends upon this than one can readily realize; and the time is later than most of us know.

As the Picture Evolved

Let us take a brief look at the world communications picture which has developed during the past century. Need-

¹ This article reproduces a recent address by Chairman Fly before the National Lawyers Guild.

less to say, up to the middle of the Nineteenth Century, so far as rapid transmissions are concerned, we lived in a world of darkness, of ignorance, of easy misunderstanding. There was in those days the degree of mental blindness that is possible now only through the oppressions of absolute governments.

For example, in the fall of 1861, we all but went to war with Great Britain, by reason of the inability promptly to transmit a clarifying message. During the weeks of delay in transmitting the message, the forces of disruption were at work on both sides of the Atlantic; and our Ambassador in London had little knowledge of what was in the mind of his own Government. When the message finally did arrive and the difficulty was cleared up, the London Times declared: "We nearly went to war with America because we had not a telegraph across the Atlantic."

To the turn of the century, there was a slow but sure development of trans-



Courtesy All America Cables

At many offices such as this, throughout the United States, there is a constant flow of communications to and from the distant regions of the world.

Atlantic cables, which eventually and in a limited manner placed us in immediate contact with England and the European continent. There came a lesser development of cables across the Pacific—one from Canada to Australia, and a single strand from the United States touching ultimately the Philippines, Japan, and China. Britain, Germany, and Italy largely controlled the cable systems both along the coast lines of Europe, Africa, and Asia and along the shores of the Western Hemisphere.

Inadequacy Was Obvious

As transportation by ship and rail improved, and as trade and political relations grew, it soon became obvious that this system of cables was inadequate for the expanding needs of the world. It is a fortunate circumstance that by 1920 radio communications had been developed as a feasible mechanism. You may very well have assumed that this Nation, a leader in the field of scientific development, at that time promptly moved out and established a world-girdling network of communication by radio. I have to confess to you that this was *not* accomplished.

As a consequence, we have today for the first time the task of enunciating a democratic philosophy for the free flow of international communications. And we have yet to chart both the principles and the mechanics which will adequately provide for that essential exchange of intelligence among all peoples.

Some Plain Truths Stated

But, first, let us review the practical situations that followed in the train of the Versailles Treaty. For it is true that even the growth of radiotelegraph follows pretty nearly the pattern set at Versailles.

At the Versailles peace table the problem of communications could have been approached in either of two ways. One was to scramble for facilities, and the other was to seek a comprehensive co-operative scheme whereby communications should be used for the equal benefit of all. As a matter of fact, President Wilson in Paris, in the spring of 1919, carried in his pocket a memorandum written by his chief communications advisor, Walter S. Rogers, which envisaged both the practical problems and to a great extent the principles which hinged upon the establishment of this practical mechanism.

For example, the memorandum emphasized the important part which the distribution of the President's addresses and other American news had played in bringing the war to a conclusion and in clearing the way for a common understanding. Mr. Rogers pointed out plainly that when communication facilities are lacking the opportunity for growth of international misunderstanding is encouraged.

He emphasized the need to avoid at all costs any extensive control of communications facilities by one nation which favors its own people and its own commerce. Mr. Rogers asserted that the



RCA photo

Vital communications with Good Neighbors. Here one sees automatic sending machines and tape receivers handling traffic at high speed.

ideal is a world-wide freedom for news and the breaking down of existing barriers, chauvinism, or lack of vision. He called for adequate facilities, for the fair control thereof, and for the provision for the generous flow of intelligence in all directions, with the warning that there must be direct, unhampered communication lest suspicion lurk that intermediaries profit by information passing through their hands.

There, at least, were both the idealistic kernel of the problem and the practical suggestions which would move toward the goal. But in the great scramble for power over a broad area of subject matters, the principles were neglected, and the ownership and control of communications went along imperialistic lines. To a great extent the United States was left, and it has been left to this good day, *looking, at the rest of the world through a bottleneck.*

Britain's Position

Great Britain emerged from the peace conference with its dominant position in world communications reinforced. Not only did it have its own world-wide cable system but it also acquired a good deal of the German cable system which, prior to World War I, gave American interests a slight measure of protection through the balance achieved by the competition of these powers. And, since the consent of Great Britain is necessary to communicate with the important points in its empire, it has been able to dictate the terms and conditions upon which such communication would take place.

Let us see what restrictions on the free flow of world communication the system of control has meant. For example, as early as 1931, RCAC negotiated a con-

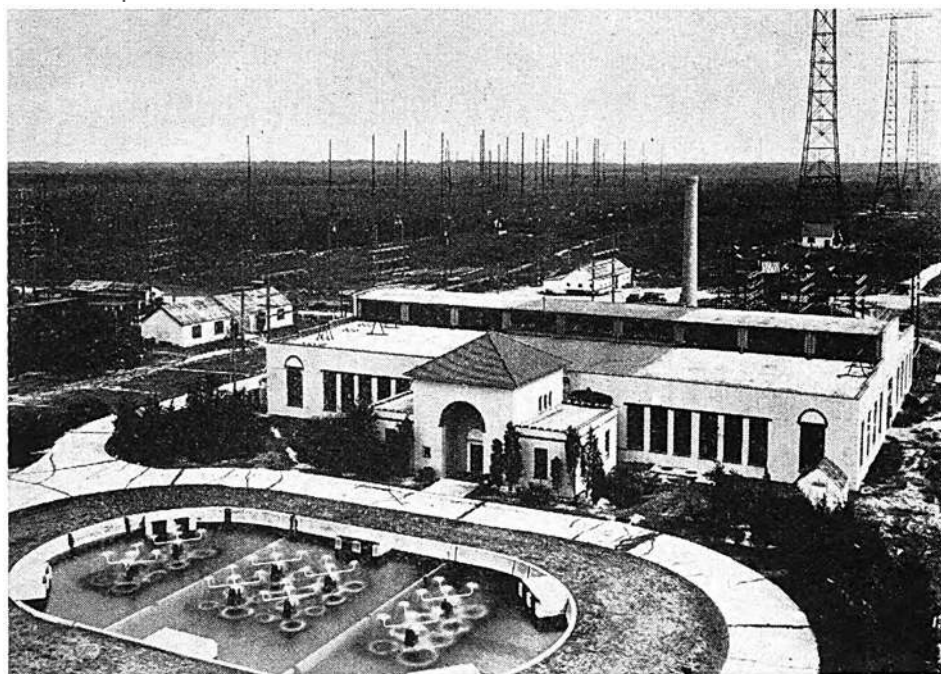
tract for a direct radio circuit between the United States and Australia. Despite the fact that the Australian Commonwealth was desirous of having the direct circuit established, we were forestalled. This meant that any message from the United States to Australia had to be transmitted first to Montreal or Vancouver and thence to Australia. Similarly, any message which an Australian desired to send to the United States had to go first to Montreal or Vancouver to be retransmitted to the United States.

At a Disadvantage

After 12 years, a direct circuit was finally authorized between Australia and the United States, but this was limited to the duration of this war, and, as a condition to the authorization, it was required that the same old rate of 58 cents a word be maintained for the direct route while a 30-cents-a-word rate is applied between Australia and Canada. The rate on direct radio circuit from Dakar in West Africa to Montreal is 30 cents, to New York 90 cents per word.

Another example: Only this week [Nov. 15-20] we succeeded in establishing a radio communications circuit to British Guiana, in this hemisphere. Here again the existence of the circuit is limited to the duration of the war, the traffic to be handled is circumscribed, and it is insisted that current high rates be continued.

Moreover, we are still unable to secure authorization for a direct press circuit between Australia and the United States. Take the case of American and Canadian reporters assigned with General MacArthur in Australia. The Canadian correspondent can cable long messages throughout Canada at British



Exterior view of a big communications station on Long Island.

RCA photo

Empire press rates of less than 2 cents a word. An American correspondent must pay 12 to 14½ cents a word.

To this day we have been unable to secure the establishment of direct communications between this country and Capetown, South Africa, and between this country and India. Messages to Capetown or India must first be funneled through London, then later retransmitted halfway around the world to Capetown or to India. The importance of direct communication to these points, especially during wartime, should readily be apparent.

"It Gives Power"

The difficulties in such roundabout methods are obvious. Details of the operation are duplicated, thereby increasing the expenses. There are long hours of delay at the bottleneck.

Some of the byproducts of this system alarmed not only American representatives at the Versailles Peace Conference, but their views were amply described in an edition of the London Standard, which frankly stated: "It gives power to survey the trade of the world and as a result of that survey to facilitate those activities which are to the interest [of those in control] and impede those which are not."

Cooperation Imperative

Perhaps we should give some more sympathetic thought to the British case. The British have long been aware that the lifeline of communication and its preferential treatment to its own areas are essential to the promotion of the Empire. Britain has developed and expanded and lives today and will live tomorrow upon its shipping, its aviation, its trade, its insurance, and its financial relations with the far-flung points of

the globe. It hardly follows, however, that either our own Nation or other nations can live, or even endeavor to live, in the world of tomorrow without an adequate, comprehensive, and efficient system of direct communications reaching every important area on the globe.

This must be accomplished in complete cooperation with the British Empire as well as with all other countries, and it must be in complete recognition of the rights of all peoples.

The Job at Home

A good many of these international problems, of course, can be partially solved right here at home and must be solved before an effective, constructive international job can be done. The lack of unification among American international carriers has played into the hands of those whose selfish interest has had a direct result on world communication inequities. At present our American carriers must compete with foreign monopolies, either government-owned or government-backed and controlled. These foreign monopolies play one American carrier off against the other. American carriers may get one-third of the rates as against two-thirds for the foreign monopoly. The result is that the rates to the public tend to be kept at an artificially high level so that the American companies can live.

There are other disadvantages resulting from a multiplicity of American international carriers—such as the useless duplication of circuits, equipment, and manpower. In addition, a single organization would use fewer frequencies and thus leave room for expansion.

High Costs, High Rates

The continuing operation of our cables is essential for reasons of capacity and

security. But cable-operating costs are much higher than those of radio. If the rates are geared to the low-cost radio the cables may go bankrupt. If rates are geared to cable costs the public loses. The need is to combine these two systems so that the public will enjoy the lowest feasible over-all rate.

The whole history of cable operation has been one of high rates because of high costs. Consider for a moment the Government's first cable message. In 1866, when Maximilian set himself up as Emperor of Mexico, President Johnson sent Phil Sheridan with 50,000 troops to the Texas border. It was important to let Europe know immediately that he meant business. He dispatched a cable message at a 50 percent Government discount, or a net cost of \$23,000.

Rates in general had to move downward, and, as they did, history has proved that traffic moved up. But still it is idle to talk about the free flow of information and intelligence at either \$23,000 per message, or at the current rate of 30 cents per word between this country and its neighbors to the South, which is largely geared to cable costs.

In order to deal effectively with the foregoing problems, one cannot over-emphasize that our own house must be put in order before we go to the next peace conference. The very least we should do is to establish a single American international carrier.

Practical Results Attainable

At this point let us see what practical results we may hope to attain by an effective system of international communications. Quite naturally we want to promote our international trade and insure amicable and mutually beneficial commercial relations and in this way to build our economic strength and stability. Shipping lanes must be kept open so that vessels can ply between markets hardly tapped in yesteryear. Radio must move, hand in hand. We must aid expanding systems of aviation.

The essentiality of a vast array of radio communications to an international aviation industry is all too obvious to that industry and to us who must find the radio frequencies to carry the necessary hour-to-hour communications. Travelers by ship and by air should have service back home and to other points on the globe. There must be complete news and informational services. We must be prepared to serve the needs of our naval and military forces. Our diplomats must be served in promoting effective and favorable relations with foreign countries. And in considerable measure international communications must act as an instrument of broad political policy.

Tasks for Peace Conference

To resolve the problems and achieve the practical ends we must make sure that the next peace conference concerns itself with the principle of cooperation among nations and the effectuation of democratic principles to guide the practice.

(Continued on p. 28)

Future Forest Vistas in American Republics

Scientists Recently Returned From Wide-Ranging Surveys
Throw Spotlight on Variety of Attractive Possibilities

By the Office of the Coordinator of Inter-American Affairs

RECENT 4-MONTH SURVEYS by two groups of United States forestry experts, one working in Central America and the other on the west coast of South America, focus attention on the potential timber resources of the other American republics.

Both groups returned enthusiastic about the forest reserves which they had explored and surveyed; the mountains and jungles of tropical America are unquestionably full of a great many different kinds of valuable timbers. The problem is how to get this variety of timber to a consuming market and how to find out what uses can be made of hundreds of virtually unknown and untested woods.

Costa Rican Oak

Dr. Arthur Bevan, formerly of the Tropical Forest Experimental Station of Puerto Rico and heading the party to Central America, reported the existence of excellent stands of useful trees along the newly constructed sections of the Pan American Highway. He also reported the discovery of a fine stand of oak 50 miles south of San Jose, Costa Rica.

This oak forest, which extends for several miles along a mountain ridge, has trees up to 8 feet in diameter, and with trunks 80 feet tall. In some places, he estimates, this stand will produce 60,000 board feet to the acre and, unlike most tropical forests which are of a mixed growth, this forest is nearly all oak. These trees are thought to be among the largest of their kind in the world. Samples, which were sent by plane to the U. S. Forest Products Laboratory for testing, show a specific gravity of 0.74 or 25 percent greater than common white oak, and should, therefore, be that much stronger.

The existence of this oak forest was unknown until the Pan American Highway was started through this region. Its discovery would suggest that there may be other equally rich finds in these mountains awaiting the arrival of tree explorers.

The party brought back some 50 samples of Central American woods which have promising and unusual industrial

qualities. A previously unknown variety of *Vantanea* was identified. It is excellent for bridges, docks, and other heavy construction.

Businessmen of Costa Rica already are planning logging operations and the establishment of sawmills, veneer and woodworking plants as soon as machinery becomes available.

Ecuador's Potentialities

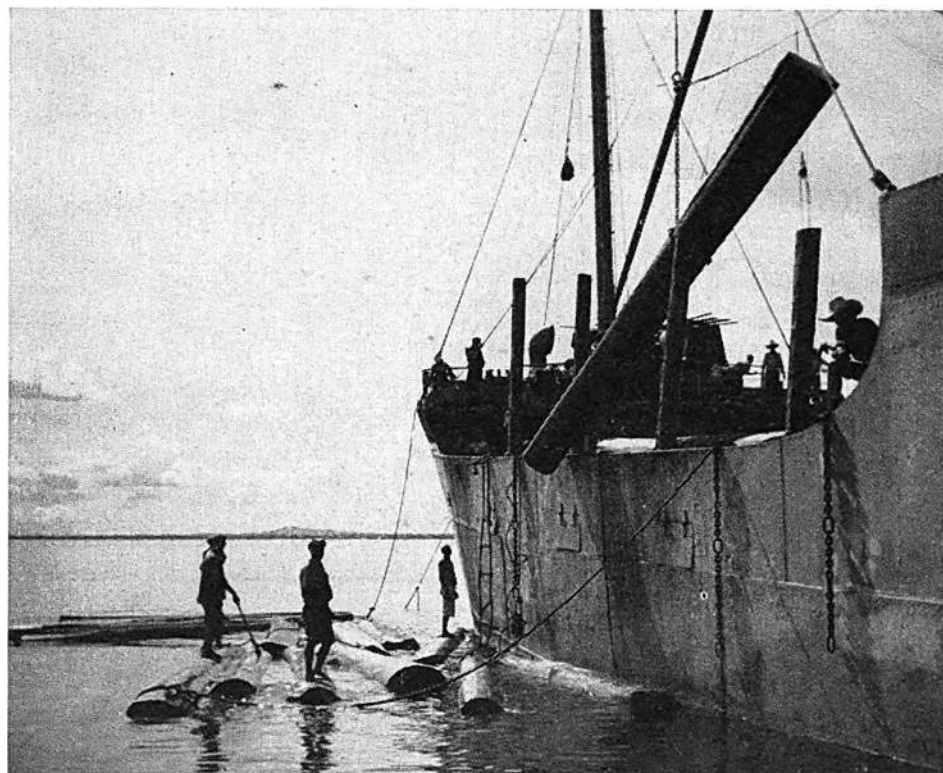
The foresters visiting Ecuador and the west coast South American republics reported the finding of types of timber which might well be substituted for teak for decking and other marine construction; several varieties of balsa, now much sought after for life rafts, airplane and

other light construction; and types of very hard wood that might well substitute for *lignum vitae* for bearings in motor boats and other small craft.

This party gave particular attention to the balsa of Ecuador. Some 25 sawmills, most of them cutting balsa, are now operating in and around Guayaquil, and several more are in the Esmeraldas Province to the north.

The new 205-mile highway now under construction between Quito, the capital of Ecuador, 9,500 feet above sea level, and the port of Esmeraldas, will open up rich timber regions.

Prof. M. Acosta Solis, director of the Ecuadorian Institute of Natural Science, has identified 115 commercially valuable
(Continued on p. 29)



C. I. A. A. photo
Central America: Mahogany raft being broken up and hoisted aboard a freighter for New Orleans, where the logs will be prepared to become a part of U. S. Navy PT boats.

News by COUNTRIES

Afghanistan

Exchange and Finance

Indian Rupees in Afghanistan Market.—Reports from Afghanistan indicate an influx of Indian rupees to such an extent that the Bank of Afghanistan, which controls all foreign exchange, recently ordered a reduction in the buying rate for rupees. At this time of year the seasonal exports of dried fruits to India has accelerated the movement, while India's export restrictions prevent Afghan traders from employing the rupee exchange to the usual extent in the purchase of manufactured goods.

[Announcement of this change as it affected the dollar-Afghani exchange rate was made in FOREIGN COMMERCE WEEKLY, November 6, 1943, page 10.]

Belgian Congo and Ruanda-Urundi

Tariffs and Trade Controls

Alcoholic Beverages, Cosmetics, Perfumery, Tobacco Products, Furniture, and Some Leather Wares Import Duties Increased.—Import duties in the Belgian Congo and Ruanda-Urundi were increased on most alcoholic beverages, cosmetics, perfumery, tobacco products, furniture, and some leather wares, effective February 15, 1943, by ordinance law No. 31/Fin.-Dou. of February 2, published in the Bulletin Administratif of February 25, 1943.

The new rates are as follows (former rates in parentheses):

(1) Potable spirits and beverages containing more than 25 degrees (Gay-Lussac) of alcohol, 1 (0.80) franc per liter and per degree of alcohol.

(2) Beverages containing 25 degrees or less of alcohol (other than cider, mead, perry, and nongrape wines), 0.70 (0.50) franc per liter and per degree of alcohol.

(3) Grape wines of all kinds containing more than 15 degrees of alcohol, 0.50 (0.30) franc per liter and per degree.

(4) Cosmetics and perfumery of all kinds, 50 (30) percent ad valorem.

(5) Tobacco products of all kinds, including tobacco substitutes, 20 (10) percent ad valorem.

(6) Furniture of all kinds, and parts, including clocks, 25 (18) percent ad valorem.

(7) Manufactured hides and skins, including worked fur skins and all leather manufacturers, not elsewhere specified (other than tanned, curried, dyed, or varnished leather, leather gloves, footwear, and harness), 30 (20) percent ad valorem.

Alcoholic Beverages: Consumption Taxes Increased.—The consumption taxes on potable alcohol and most alcoholic beverages, imported into or manufactured in the Belgian Congo and Ruanda-Urundi, were increased, effective February 15, 1943, by ordinance law No. 32/Fin.-Dou. of February 2, published in the Bulletin Administratif of February 25.

The new rates, in francs per hectoliter, are as follows (former rates in parentheses):

Beer, 100 (100) francs;

Grape wines testing by the Gay-Lussac alcoholmeter: More than 20 degrees, 400 (400) francs; more than 15 and not over 20 degrees, 400 (300) francs; and 15 degrees or less, in casks or demijohns of 10 liters or more, 100 (50) francs; and in other receptacles, sparkling, 500 (500) francs, other, 200 (150) francs; and

Other beverages, testing by the Gay-Lussac alcoholmeter: 3 degrees and more but not more than 25 degrees, 150 (100) francs; more than 25 but not more than 50 degrees, 600 (400) francs; and more than 50 degrees, 750 (500) francs.

[A previous reduction in these taxes was announced in COMMERCE REPORTS of November 6, 1938.]

The Cover Picture



Balsa

Our cover picture this week—furnished by the Office of the Coordinator of Inter-American Affairs—shows most convincingly the remarkable lightness of a Latin American product that is contributing notably to the United Nations war effort, namely, balsa wood. The attractive young woman could hardly hold the big pieces of finished wood with such obvious ease if she were handling wood as heavy as most of the lumber with which we in this country are familiar.

Balsa, today, is going into airplanes, life rafts, marine equipment, technical apparatus, and other varied articles that serve to bring victory nearer.

British Honduras

Tariffs and Trade Controls

Import Duty Reduced on Milk Products Containing Less Than 8 Percent Butterfat.—The import duty in British Honduras on milk products containing less than 8 percent butterfat has been reduced by placing all milk products, irrespective of butterfat content, on an equal basis for duty purposes, by ordinance No. 8, published and effective October 23, 1943.

Under the terms of this ordinance, all milk products imported from non-Empire sources become dutiable at 5 percent ad valorem, whereas those from Empire sources are granted duty-free entry. The former duty rates on milk products containing less than 8 percent butterfat were 50 percent ad valorem on imports from non-Empire sources, and 25 percent ad valorem on imports from Empire sources.

Bulgaria

Tariffs and Trade Controls

Certain Oilseeds and Oil: Exportation Prohibited.—Prohibition of the exportation from Bulgaria of soybeans, soybean oil, walnuts, walnut kernels, apricot kernels, plum seeds, and plum kernels by a decree of the Council of Ministers, published in the Derzaven Vjestnik, was reported in the Bulgarian newspaper "Zora" of October 19, 1943.

[Formerly the exportation of oilseeds was reserved to the grain monopoly. See FOREIGN COMMERCE WEEKLY of January 3, 1942.]

Chile

Economic Conditions

The Chilean Congress which was convened to consider the economic project and the 1944 budget had not reached an accord on the final text of the project as November closed. The Senate voted the project out on November 17 and the Chamber of Deputies voted on November 23 with the result that all except half a dozen provisions were approved. Nevertheless, the bill omitting the articles not agreed upon was transmitted to the President on November 27, and, while it may face a Presidential veto of certain sections, it was locally anticipated that it and the controls legislation would be promulgated early in December.

General business conditions have remained unchanged, with manufacturing activities continuing to taper off, owing in part to seasonal factors and in part to the belief of some retailers that war developments may soon make possible

the early delivery of more imported goods. Mining production has declined somewhat, but agricultural prospects are for an over-all production around 5 percent above the preceding year's crops. The Minister of Finance has been very active in efforts to curb inflation and presented to Congress a statement revealing prospects of a much larger deficit in budgetary operations than had been anticipated.

MANUFACTURE

Prices for manufactured goods remained steady, notwithstanding a slackening of demand. Retailers who had been limiting purchases in anticipation of the availability of more imported goods stated that deliveries of domestic goods were arriving on schedule. Fewer complaints were heard of shortages of raw materials except in the paper industry. The number of factories gradually becoming affected as the result of their being placed on the Proclaimed List was increasing, and there have been frequent press discussions of the hardships caused to workers in districts where such factories are located.

RETAIL TRADE

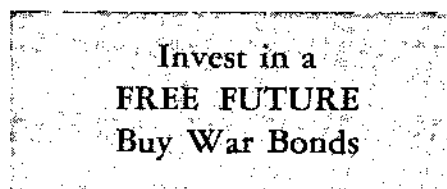
Retail sales have increased, although retailers have slackened their orders to wholesalers in anticipation of obtaining imported goods at prices comparing favorably with domestic articles. Prices have become fairly well stabilized, although increases occurred in certain lines, such as foodstuffs. The public has apparently confined purchases to bare necessities, and stocks of imported goods were reported to be sufficient to meet current demands for soft goods. Argentine and Brazilian products are preferred to domestic articles, because of their finer quality. In Valdivia, price-fixing measures have been ineffectual following the failure of the Government to establish its projected model price-fixing store.

AGRICULTURE

Because of limited rainfall and the light deposits of snow in the Andes, it is feared that there may be widespread drought conditions in parts of middle Chile during the first half of 1944 unless there is unusually late rainfall. With good weather and average yields for important food crops, such as cereals and legumes, the total farm output in 1944 may be around 5 percent higher than in 1943. Wheat, barley, and oats sowings are officially estimated to be larger than for 1943, particularly oats, for which the area sown is estimated to be 25 percent above last year's cultivation. There will be no plantings of beans in the Aconcagua and Valparaíso areas, because of weevil infestation. The livestock and dairying situation is less favorable, with animal numbers decreasing and dairying interests liquidating their holdings because of rising costs and the inability to make a profit under present Government-fixed prices for milk.

LABOR

The labor situation has been marked by several strikes all of which were, how-



ever, of short duration. A 2-day strike was called at the Naltagua copper mine over wage increases. Stevedores at Topocilla and other ports struck over the imposition of a new speed-up shift system which at first threatened to reduce their income. This strike was ended as soon as the Government promised that workers would not lose wages as a result of the new system which was designed to reduce loading and unloading time to a minimum. Some anxiety was apparent among the nitrate workers as a result of reports that nitrate activities were expected to be reduced early in 1944.

Exchange and Finance

Exchange Fluctuations.—Although the officially controlled "Official," "Export Draft," "Free" or "D. P.," "Gold Dollar," "Mining Dollar," and "Agricultural Dollar" rates of exchange remained stable, the peso depreciated against the dollar in the "curb" market in October and November. The "curb" selling rate for dol-

lars rose from 31.60 pesos per dollar on October 13 to 34 pesos per dollar on November 11.

This depreciation is attributed to rumors that the Chilean Government was considering altering the Export Draft and "D. P." rates from 25 and 31 pesos per dollar to 31 and 35 pesos per dollar, respectively. No official announcement concerning changes in the controlled rates of exchange has been made, but the rumors were apparently based on the Finance Minister's expressions of concern over the financial position of the Government and his statement that remedial measures were being planned.

Should the peso exchange rates be further devalued, it is probable that it would result in larger income-tax receipts in terms of pesos, especially from the copper-mining companies, and higher customs duties. It is also probable that the gold and exchange holdings of the Central Bank, some of which are already undervalued, would be revalued and the profits therefrom, which would be considerable, transferred to the Government.

Transport and Communication

Gasoline Restrictions Eased.—Because of the importance of the lumber industry to Chilean economy in general, gasoline is to be supplied without restriction for trucks used in hauling lumber.

Pertinent Comments on World Economy Today

[Being one of a series of excerpts from books, pamphlets, and speeches]

"Economic Integration of Europe Must Be Worked Out"

Some opinions have been expressed and hopes voiced that, although Nazi policy must be entirely repudiated because of its methods and philosophy, the Germans nevertheless succeeded to a large extent in bringing about the economic unification and integration of Europe. It seemed for a while, particularly before the military campaign of 1941, that in applying the same or a similar pattern throughout the greatest part of Europe the German war economy might have an integrating influence on the monetary system and on equalizing costs of production and prices. But, instead, the German policy in the occupied countries soon tended toward disintegration.

For instance, whereas Germany exerted every effort to check inflation in Germany proper her policy in the occupied countries directed stimulated inflation. There has been no free trade between Germany and the other parts of Europe—except the so-called incorporated areas and Holland—and therefore no real price and cost adjustment. The only uniformity achieved or even attempted was designed to adapt all the economies to supplying armaments, food, and raw materials for German war requirements. Therefore no real economic integration of Europe can be expected from the German domination.

Yet a policy of economic integration of Europe must be worked out. It can be assumed that the general objective of post-war economic policy will be an expanding economy with growing world trade, whose ultimate purpose is to raise the standard of living. The whole European Continent could gain greatly from increased inter-European trade and the economic integration of the Continent, which would lead eventually to a large-scale development of the backward regions of Eastern and Southeastern Europe. If this can be achieved, it will be of great importance to the industrial countries, who are confronted with growing competition in the overseas markets and faced with uncertainty as to the post-war situation of the British economy. There is the potentiality of a really large increase in consumption in this backward area; development of the region [Eastern and Southeastern Europe] would be the most efficient way to bring about an upswing in European trade.

[From "The Danube Basin and the German Economic Sphere," by Antonin Basch. Publishers: Columbia University Press, New York, N. Y.]

You Can't Settle Down in Belgrade

Because of the extremely serious housing shortage now prevailing in Belgrade, Yugoslavia, newcomers to the city are prohibited from becoming fixed residents.

The mayor of the Serbian capital (now Nazi-dominated) has issued a decree restricting business visitors to the city to a stay of only 30 days—and violators of this "Diktat" are subject to a fine of from 200 to 4,000 dinars or even a penalty of 20 days' imprisonment, with subsequent forcible ejection from the city.

Only regular students in attendance during the school year at State schools are granted permission—under this superdrastic regime—to live in temporary quarters in Belgrade.

The monthly gasoline allowance for all trucks and public vehicles also has been increased to alleviate the present critical transportation situation.

Dominican Republic

Tariffs and Trade Controls

Jute Bags and Cordage: Importation Regulated.—The importation into the Dominican Republic of jute bags, cotton bags, or bags of any other fabric or material, used or unused, and articles of cordage in general, may now be effected only with the permission of the Control of Bags and Cordage, according to decree No. 1481, of November 8, 1943. The purpose of the decree is to insure an adequate, but not excessive, supply of jute and other bags for use in packing native products.

Ecuador

Tariffs and Trade Controls

Platinum: Exportation Prohibited.—The exportation of platinum from Ecuador was prohibited by decree No. 1712, on November 4, 1943.

France

Tariffs and Trade Controls

Vinegar, Mustard, Condiments, and Sauces: Special Sales Tax Fixed.—A special sales tax of 0.40 percent ad valorem, with a minimum of 100 francs per annum for each firm, was fixed in France on vinegar, mustard, condiments, and sauces sold by manufacturers, to cover administrative expenses of the organization committee of such industries, by

an order of May 3, 1943, published in the Journal Officiel (Vichy) of May 14, and effective retroactively from September 1, 1942.

French North Africa

Tariffs and Trade Controls

Olive-Foots Oil for Soap Factories or for Refining: Special Production Tax Doubled in Tunisia.—The special production tax on olive-foots oil entering factories in Tunisia for making soap or for refining was increased from 1 to 2 francs per 100 kilograms, effective from January 1, 1943, by an order of February 26, published in the Journal Officiel Tunisien of March 13.

Mistelas, Liqueur Wines, Vermouths, and Aperitifs: Surtax on Consumption Tax Imposed in Tunisia.—A temporary surtax of 5 francs per liter, by volume, to be collected in addition to the consumption tax on alcohol in Tunisia, has been established on mistelas, liqueur wines, vermouths, and other aperitifs with a wine base, by a decree of February 20, 1943, published in the Journal Officiel Tunisien of March 9.

[This temporary surtax is independent of the special surtax of 2 francs per liter, collected on champagnes, sparkling wines, and aperitifs, under the decree of September 12, 1940.]

Paper: Additional Special Tax on Local Manufacture in Tunisia.—A special tax of 10 percent ad valorem, to be collected in addition to the tax of 1 percent, was established on paper and cardboard manufactured in Tunisia, and on stocks of paper in State warehouses, by an order of March 4, 1943, published in the Journal Officiel Tunisien of March 6.

Guatemala

Transport and Communication

Freight Loadings Increase.—Inbound railroad freight loadings in Guatemala improved during the first three quarters of 1943, compared with the corresponding period in 1942.

Import tonnage in the period under review totaled 117,763,000 pounds, compared with approximately 72,008,000 pounds in the comparable period of 1942.

Incoming freight movement through the Mexican border point of Ayutla accounted for 45,844,000 pounds of the total.

Haiti

Tariffs and Trade Controls

Haitian-Dominican Commercial Convention Denounced.—The commercial convention between Haiti and the Dominican Republic, signed at Port-au-Prince on August 26, 1941, providing for preferential customs treatment for specified goods entering the respective countries, as well as certain labor stipulations,

was denounced by the Haitian Government on September 8, 1943, and under the terms of the convention it will expire on March 24, 1944.

[The convention originally became effective on March 23, 1942, and was to remain in force for 2 years, with automatic renewal for 2 more years, unless denounced by either party 6 months before the expiration of the initial period. A further provision, not invoked, stated that notwithstanding the above, termination could be effected by either party anytime, after 4 months' prior notice. The convention will become inoperative exactly 2 years (the initial period), after exchange of ratifications. For announcement concerning details of the convention, see FOREIGN COMMERCE WEEKLY of November 8, 1941.]

Kenya and Uganda

Wartime Commodity Controls

Governor of Kenya Appoints Exporters' Group and Controller for Cattle Hides Industry.—A Hides Exporters' Group has been appointed by the Governor of Kenya, with exclusive power to sell British East African cattle hides to domestic and foreign buyers, according to a notice in the Gazette of August 31, 1943.

Effective September 1, the new Defense (Control of Marketing and Export of Hides) Regulations, 1943, replacing the 1942 Regulations, provide for the establishment of buying centers at various places in the colony for the exclusive use of the Group. They also provide for the appointment of a Hides Controller to allocate buying quotas and shipping space among the Group members, to direct the sales to local tanners and foreign buyers in accordance with orders of the Director of Produce Disposal, to appoint hide inspectors, and generally to direct the Group in effecting the efficient and economic operation of the hide trade. The Controller is also to advise the Director of Native Production in regard to prices to be paid producers at the markets or buying centers.

Transport and Communication

Railway Operations.—Ton-miles of public traffic on the Kenya and Uganda Railways showed an increase of 8,763,273 in 1942 over figures for 1941, and an in-

Rock-Burst Predictions?

Rock bursts, a major cause of injury to miners, can be predicted by equipment developed by Canadian scientists who have been studying the subject for 5 years.

By embedding delicate instruments 30 feet in solid rock, and interpreting the subaudible whisperings that are recorded, it is reported that rock-burst occurrences can be predicted with sufficient accuracy to eliminate much of the danger.

Sweden's Transport Fuel Test

A practical demonstration of economy involving the use of fuel oil, producer gas with crankcase scavenging, and producer gas with pulsator has been conducted in Sweden.

A lake vessel with a 40-horsepower engine was chosen for the experiment. With the vessel fully loaded to its 80-ton capacity, the fuel consumption per mile was 1.8 liters of fuel oil, 0.45 hectoliter of wood with crankcase scavenging, and 0.23 hectoliter of wood with pulsator.

The cost per mile was 1.88 crowns, 0.90 crown, and 0.46 crown, respectively, for the three methods of operation, says a report from the American Legation at Stockholm.

crease of 96,221,999 over 1940, bringing the 1942 total to 508,835,419 ton-miles, states the foreign press.

Revenue of the railway is given as £3,478,661 and ordinary working expenditure £1,857,156, giving a surplus of £1,621,505, compared with £1,208,459, £1,075,148, £1,230,351, and £1,735,837 in the 4 years 1938 through 1941. Adding the totals for the harbor of Mombasa, total earnings were £4,222,745, and working expenditure £2,186,933.

Passenger traffic in the scheduled train services continued to increase in all classes, and livestock traffic, which rose nearly 40 percent in 1941 compared with 1940, showed an additional increase of 38 percent in 1942.

Malta

Tariffs and Trade Controls

Parcel-Post Service Resumed.—Parcel post service from the United States to Malta is resumed, effective immediately, according to the Postal Bulletin, Washington, D. C., November 30, 1943.

Mauritius

Wartime Commodity Controls

Import Requirements of Clothing Fabrics, Etc., To Be Reported.—Dealers in knitting yarns, garment fabrics, gloves, and various articles of underclothing and outerclothing have been ordered by the Mauritius Controller of Supplies to submit returns of their 1941-42 imports and essential minimum requirements for 1944, according to an order published in the Mauritius Gazette of June 26.

A similar order in regard to past imports and 1944 requirements of various cotton and rayon fabrics, velvets, blankets, etc., appeared in the Gazette of May 15.

Mexico

Economic Conditions

Little outward change was apparent in the economic situation in Mexico during October. Attention was centered on the effects of the executive measures designed to control prices and wages, but shortages in many staple food products, such as corn, beans, lard, eggs, and milk, were the cause of considerable concern. Transportation difficulties continued to affect regions removed from the important producing centers, and interior communities, including Mexico City, were increasingly troubled by slow deliveries. The tourist movement was seasonally slack and was aggravated by the strike of Pullman Co. workers, which was not settled until the end of the month.

FOREIGN TRADE

Mexico's foreign trade was higher in value during the third quarter of 1943 than during the corresponding period of 1942, despite trade control measures and transport difficulties. Although the value of exports exceeded that of imports, the margin was appreciably smaller, owing largely to higher import values.

There were no exports of cattle from Sonora in October, and potato shipments customarily moving through Ciudad Juarez were prohibited exportation. About 25 carloads of fresh oranges were exported through Piedras Negras en route to Canada. Turpentine shipments to the United States were off considerably, and huarache exports were negligible. Hard-candy exports were delayed at the border, reportedly because of the export control over sugar and sugar products.

Imports of mining machinery and tools reportedly were moving through Agua Prieta in fairly satisfactory quantities, and from Nuevo Laredo came reports that 900 carloads of corn had passed through that place in a single week en route to interior points in Mexico.

INDUSTRY

Industry was steadily engaged during October, but some activities were affected by transport difficulties and seasonal slackness. Steel plants, smelters, fiber-processing plants, bag and rope factories, paper and textile mills, and tanneries operated on usual schedules, and breweries, shoe shops and most consumer-goods factories and processors were on full-time schedules or working extra shifts. The flour mills in Mexico resumed grinding operations following their seasonal shut-down in September.

Industries around Monterey returned practically to normal activity after repair of the break-down in electric-power facilities, but in October there was still insufficient current available to meet industrial needs in that area, without taking care of new industries. Difficulties of transportation and raw-material supplies also continued to plague that most important industrial center, and manufacturers complained of being caught

between fixed prices for their finished products and uncontrolled costs of raw materials.

Food-fish activities were assuming increasing importance off the coast of northern Tamaulipas, and in Manzanillo, on the Pacific, it was expected that at least 60 boats would operate in shark fishing in the coming season.

MINING

No unusual developments occurred in the mining industry in October. Labor was fully employed, and conditions were stable. The general wage increase which became effective in October did not seriously affect operations of the larger mining companies.

Production was maintained at about the same high levels of preceding months, but export shipments were off slightly because of congested transport conditions. As a result, increased stock piles accumulated at some refineries, especially in zinc and copper. The new zinc-deposit development near Nacozari was completed during the month, and shipments from that property were expected to amount to 600 tons monthly by the close of the year.

Tin companies around Durango operated at a low rate, interrupted by heavy rains and flood conditions. Considerable tin prospecting was reported in this area, but actual production is small. Mercury in fair amounts, however, was being taken out by several small companies and individuals. Manganese production in the Guaymas district was scheduled for a substantial increase from deposits near Mulege, with plans for 5,000 tons of ore monthly in 1944. Copper production in that area remained static, but graphite operations resumed full capacity following a 2 months' slack period.

CONSTRUCTION

Private construction was active in October, notwithstanding shortages of such materials as cement, reinforcing bars, hardware and plumbing fixtures, and electrical equipment. Brisk industrial



building also was reported in many sections of the country. At Agua Prieta many new homes and the start of a brick factory were reported, and at Guadalajara a large concrete pipe-making plant was being organized, as well as a tool shop to turn out axes, hammers, squares, chisels, and the like. A silver and copper rolling mill also had been established in Guadalajara, and land had been acquired for a large brewery just outside the city.

Mazatlan suffered heavily from the cyclone and storms of early October, and a considerable volume of repair and rebuilding should take place because of damage to housing and business structures. A textile-bag factory was set up in Culiacan during the month, and production was expected to start in November. Another bag factory began operations on the first of October in Los Mochis. A new cotton-ginning mill also began operations in Culiacan, and a new cottonseed-oil processing plant was under construction at San Blas.

From San Luis Potosi it was reported that engineers of the National Electrical Commission were making a survey of waterfalls in El Salto and El Meco rivers in the eastern part of the State for the purpose of installing electric-power plants. In the same State, surveys also were started for the erection of an irrigation dam to water some 8,000 hectares of land. The Federal Government will lend financial assistance to this project.

LABOR

In general, labor conditions throughout the country were tranquil during October, except for the Pullman Co. strike, which was settled at the end of the month. No other important interruptions of work occurred. From various

sections came reports of shortages of skilled and semiskilled laborers, and in Mexicali harvest hands were needed for the cotton crop.

Workers returning to Mexico after the war, upon completion of their work contracts abroad, will be given homestead privileges on certain nationally owned lands in the States of Puebla and Veracruz, under provisions of a resolution of the Ministry of Agriculture.

Lands so reserved extend from Villa Juarez in Puebla, eastward to the coast in Veracruz. Present occupation of the land will be respected, but the land will be subject to later division. Water sources are to remain free, and water rights are to be regulated by the Ministry of Agriculture.

AGRICULTURE

The coastal areas of the States of Colima, Jalisco, Nayarit, Sonora, and Sinaloa were hard hit by hurricanes, cyclones and heavy rains early in October, and the damage wrought was very extensive. Livestock suffered, as did crops, roads, buildings, and other property. The winter vegetable prospects of Sinaloa and Sonora were severely damaged by the storms, and a loss of at least 3,000 carloads of vegetables was predicted. Great areas of seed beds were completely destroyed and, although some lands can be replanted, shipments will probably be delayed by from 30 to 60 days. Heavy rains also damaged crops, particularly cotton, in the State of Chihuahua, and some areas in Tabasco were flooded by rains during the first 10 days of the month. In most other regions of the country, however, rainfall was sufficient and generally beneficial.

From all reports, cattle have greatly benefited from the October rains. Information from most of the cattle regions indicates that range conditions have greatly improved and that cattle, although reduced in number, were in good condition. The usual export demand, however, has so far failed to materialize, and few cattle have been sold. Exports of cattle from the State of Chihuahua have been sharply reduced for the remainder of this year, in an effort to relieve the meat shortage in Mexico City.

Cotton picking was in full swing in the Juarez Valley, Mexicali, and Torreon districts. In Mexicali, from about 200,000 acres planted to cotton, a crop estimated by various sources at from 90,000 to 110,000 bales was expected. With 90 percent of the crop harvested in the Torreon district, communal lands have yielded more than 54,000 metric tons and, although definite statistics were not available, cotton production of small landowners in the same district was believed to exceed that of the communal lands by a considerable amount. In the Juarez district the crop was expected to reach 20,000 bales. In the Delicias region of Chihuahua the crop suffered heavily from the continuous rains, and it is now believed that production in that area will not exceed 20,000 bales. Cotton gins in the Juarez Valley were operating at full capacity.

The condition of the corn crop showed no improvement over the preceding

month, and insufficient corn supplies were reported in Chihuahua, Tampico, San Luis Potosi, Mazatlan, Torreon, Matamoros, Nuevo Laredo, and Tijuana. The States of Colima and Guanajuato, normally exporters of corn, will have only supplies enough to meet their own requirements. Coatzacoalcas and vicinity also reported enough corn to meet local demands, but little or none for shipment to Campeche and Yucatan. Veracruz and Guadalajara each reported supplies for only a few months, after which they will have to depend on imports. Effort is being made to increase corn acreage in many deficient regions, and in Matamoros, Nuevo Leon, and Monterrey, where the fall crop has already been planted, growers were somewhat optimistic, in view of the recent rains.

The wheat crop in Chihuahua was reported off by an estimate of 60 percent, and flour supplies were low. From 2,000 to 3,000 hectares of winter barley were being planted in the Lampazos, Anahuac, and Nuevo Laredo regions, and large plantings in the Monterrey district were anticipated for November and December. The rice crop was considered normal in Jalisco, in October, and harvesting was about to commence.

Flax and peanuts suffered very little damage from the cyclones and rains in Jalisco, Mexico's leading producer, and harvesting, with very favorable production prospects, was soon to begin. A good yield of sesame also was expected on the Pacific side of the Isthmus of Tehuantepec.

The heavy rains delayed the preparation of lands for garbanzos in the Guadalajara district, and damage to the potato crop in Chihuahua was estimated at about 50 percent. The storms also caused severe damage, estimated at between 40 and 60 percent, to the tobacco seedbeds in Nayarit, Mexico's leading tobacco-producing State, but there was still time for replanting most of the beds that had been destroyed.

Wartime Commodity Controls

Manufacture of Whisky and Liquors From Domestic Corn Prohibited.—The manufacture of whisky and other liquors and beverages from Mexican corn has been prohibited by an executive decree, published and effective October 13, 1943. Under the terms of this decree, only imported corn may be used in the manufacture of these products, and then only after prior authorization has been obtained from the Ministry of National Economy. The manufacture of all other industrial products made from corn also is subject to government control, and only those products necessary for domestic consumption will be permitted to be manufactured. The Ministry of National Economy is empowered to fix the quantity of corn each manufacturer may use for this purpose.

The decree further provides that cornstarch, glucose, and all other products or byproducts made from corn remain subject to export control, requiring a permit issued by the Ministry of National Economy before exportation will be permitted. These export permits will be

Air Service to Santiago, Chile, Stepped Up to Five Flights Weekly

International air passengers and express using the service of Pan American World Airways and Pan American-Grace Airways between the United States and Buenos Aires are now being afforded an additional weekly service between Lima, Peru, and Santiago, Chile.

Clipper service between Lima and Santiago has been increased from four to five flights per week, resulting in more convenient schedules for air travelers, air express shipments, and mail.

The additional weekly service between Lima and Santiago means that passengers arriving in Lima on Mondays are enabled to depart the following morning southbound, avoiding a day lay-over, while northbound passengers arriving in Santiago on Wednesdays can depart for Lima on Thursdays, instead of Fridays, as before.

issued only when there is an excess of these products over domestic requirements.

Tariffs and Trade Controls

Whisky, Rum, and Gin Made Subject to Export Control.—The exportation from Mexico of whiskey, rum, and gin has been made subject to a prior export permit issued by the Ministry of National Economy, under provisions of an unpublished regulation of October 29, 1943.

Newfoundland

Transport and Communication

Freight Tonnage.—Newfoundland Railway freight tonnage increased in October about 10 percent above September tonnage, but was not comparable with that of October 1942.

Paraguay

Tariffs and Trade Controls

Wheat Flour: Import Duty Reduced.—The customs duty on wheat flour imported by Banco Agricola del Paraguay, an agency of the Paraguayan Government which enjoys a preferred position as an importer of this commodity, has been reduced to 2.60 gold pesos per 100 gross kilograms by decree No. 1007 of October 28, 1943. The rate of duty on wheat flour consigned to other importers is 3.95 gold pesos per 100 kilograms.

Spain

Transport and Communication

Railway Increases Earnings.—The Madrid-Aragon Railway, which operates in Spain between Madrid and Arganda and Colemanar de Oreja, with a branch to Alcen, (a total of some 100 miles) showed a substantial increase in earnings in 1942 as compared with 1941, or 3,429,498 pesetas and 1,328,334 pesetas, respectively, states a foreign railway magazine. Working expenses rose to 3,477,280 pesetas in 1942, compared with 2,365,188 pesetas in 1941.

Switzerland

Transport and Communication

Telephone, Telegraph, and Radio Operations.—The Swiss Telephone and Telegraph Service collected 14,752,000 francs in May 1943—a gain of 1,130,000 francs over May a year ago. Profits totaled 7,960,000 francs and expenditures 3,792,000 francs—increases of 698,000 francs and 432,000 francs, respectively, over May 1942.

Switzerland has reported that the number of radio subscribers increased by 18,377 during the first 6 months of 1943. At the end of June the total was 747,608.

New Map (Free) Shows War and Peace Resources of American Republics at a Glance

How the agricultural, mineral, and forest products of the other 20 American republics are helping to smash what is left of the Axis and prepare for a better post-war world is graphically shown by a new map in color published by the Office of the Coordinator of Inter-American Affairs. The 20-by-26-inch map, entitled "Resources for Victory—A Geo-Economic Study," offers an instantaneous picture of Spanish America's resources for peace and war, with additional information on the population density topography, rainfall, communications, and agricultural potentialities of the other Americas.

Copies of the publication are available without charge at the Office of Inter-American Affairs and at Inter-American Centers in Buffalo; Boston; Chapel Hill, N. C.; Chicago; Cleveland; Denver; Des Moines; Detroit; Fort Collins, Colo.; Kansas City; Los Angeles; Omaha; Philadelphia; Pittsburgh; Providence; St. Louis, and Salt Lake City.

One side of the map employs colorful and easily read symbols to show all the basic and secondary products of Central and South America at a glance. The editors point out, however, that these symbols are intended to show areas of major, intermediate, and minor production, rather than the proportion of any one country's production to total production in the other Americas.

A feature of the resources map is the breaking down of the other American republics into areas of intensive agricultural production, grazing, forests, and agricultural unproductivity.

The other side of the map shows the geography of Central and South America, with insert maps describing the characteristics of the land, distribution of population and communications, including principal highways, railroads, air lines, and sea ferry routes.

Union of South Africa

Economic Conditions

Heavy rains during the last half of October lead producers in the Union of South Africa to expect an excellent growing season for grain, fruit, and all summer crops. The Minister of Agriculture has given assurance that the present price of 16s. a bag (of 200 pounds) for maize will be maintained, and a new price for wheat—36s. 6d. per bag for A-1 quality and 36s. for B-1 quality—was published at the end of October. Despite this, the price of bread has been reduced from 6½d. to 6d. per 2-pound loaf. The cost to the government of the wheat subsidy this year is estimated at £2,000,000.

A bumper crop of peaches, plums, pears, and grapes was expected, and the Deciduous Fruit Board was already making plans to promote greater consumption of fruit within the Union, since export markets for deciduous fruit are scarce owing to war conditions.

It is estimated that the new wool clip will be about the same, or, in view of the emphasis being put on quality, possibly slightly below the 770,000 bales produced in 1942-43. The Cape "Times" stated, not long ago, that the price of wool had increased 53 percent since 1939.

A current factor in South African economy is the sharp increase in trade with South American countries, notably Argentina and Brazil.

Factories Busily Engaged

Industrial activity continued high, with the exception of building construc-

tion which was less than half that of the preceding year. Of especial interest is the increased production of agricultural machinery and implements. Whereas formerly the Union imported most of its requirements along this line, to the value of more than £1,000,000 annually, it was estimated in October that about one-third of the supplies were being produced domestically. Footwear factories were very busy in Johannesburg and Port Elizabeth. Although the demand of the Army for shoes had fallen off a little, civilian requirements still exceeded the supply.

Engineering shops throughout the Union were also fully occupied. One chemical firm in Port Elizabeth reported that it was producing lactic acid on a scale sufficient to meet all the current needs of the tanning industry. Lactic acid for South African requirements was formerly imported from Germany, but it is now produced entirely from South African materials.

The African Canning and Packing Corporation, Ltd., is reported to have purchased 18 acres of land from the municipality of Port Elizabeth, with the understanding that the company will build thereon, within the next 2 years, a factory costing not less than \$72,000. It is stated also, that a new factory, at an estimated cost of \$400,000, is to be erected in East London immediately after the war, for the manufacture of surgical instruments and other hospital accessories.

Some concern is reported in the coastal towns at the apparent trend of industries toward the Rand, and recently the Midland Association of Junior Industrialists urged the Railway Administration to reconsider its rate policy, with a view to promoting a more nearly balanced dis-

(Continued on p. 31)

News by COMMODITIES

Automotive Equipment

GASOGENE INSTALLATION RECOMMENDED IN CHILE

A recommendation has been made by the Intendente (Governor) of Valdivia Province, Chile, that gasogenes (charcoal burners) be installed in automobiles in that area. The Corporacion de Fomento has announced that it will sell gasogenes at a price of 8,000 pesos.

COLOMBIA'S POST-WAR NEEDS

An immediate post-war need in Colombia, states a November report, will be for at least 230 trucks (without bodies) and 350 automobiles. This automotive equipment will be needed to meet accumulated demands.

Chemicals

NEW COMPANY ORGANIZED IN VIENNA, AUSTRIA

A new chemical concern—Keramchemie Gesellschaft für Säureschutz m. b. H.—has been organized in Vienna, Austria, the European press reports.

The company will specialize in the manufacture of anticorrosion materials for the protection of chemical plants and similar uses.

SULFUR PRODUCTION IN BOLIVIA STIMULATED BY WAR

In Bolivia, as in other Latin American areas, the production of sulfur has been

given considerable stimulus by the war, the foreign press reports.

Bolivian sulfur output this year is expected to reach 10,000 tons.

PYRETHRUM OUTPUT, CHILE

Chile's output of pyrethrum powder in 1942 was 40,000 kilograms, the foreign press announces.

A goal of 200,000 kilograms has been set for the next harvest.

GUANO PRODUCTION, PERU

Production of guano in Peru continues to decline; since 1941 there has been a high mortality rate among sea birds as a result of abnormal atmospheric and oceanic conditions, a foreign trade journal reports.

Not more than 62,500 tons of guano are expected to be produced this year, compared with 67,420 tons in 1942. Since this amount is not sufficient for Peruvian agricultural needs, no exports will be made. Growers of food crops are given preference in the distribution of guano, and they are receiving all their requirements, it is stated.

SPANISH NITROGEN PRODUCTION TO BE INCREASED

Several Spanish chemical companies expect to step up their production of nitrogen for fertilizers. Plans which have been under consideration for some time call for the construction of four new plants, with an estimated annual output of 52,000 metric tons.

Sociedad Española de Fabricaciones Nitrogenadas, Bilbao, will employ the Haber-Bosch process at its new factory which is being erected in cooperation with I. G. Farbenindustrie. The output of sulfate of ammonia will total 125,000 metric tons, based on the production of 24,000 tons of nitrogen. Coking gas from the works of Altos Hornos de Vizcaya will be used as fuel.

Construction has not yet started on the plant of Sociedad Ibérica del Nitrogeno, Oviedo, with which the Montecatini interests are associated. This factory will also use the Haber-Bosch process and will have an output of 9,000 metric tons of nitrogen and 43,000 tons of sulfate of ammonia. Coking gas will be the fuel.

Using an electric fixation process, Nitratos de Castilla, Valladolid, will have an ultimate output of 64,000 metric tons of nitrate of lime, on the basis of 10,000 tons of nitrogen. Electric power will be transmitted from the Saltos de Duero power plant. Hidro Nitro Española, Monzon, will produce 40,000 tons of sulfate of ammonia, based on 8,250 tons of nitrogen.

It was announced that two of the four projects would be in operation in 1944, but this is considered doubtful. Most of the equipment was ordered from Germany and Italy and very little machinery has been received so far. The

Monzon plant was scheduled to begin production in 1943, but it is not yet in operation, as a result of a number of delays.

POTASH PRODUCTION, SPAIN

Production of the three potash companies in the Province of Barcelona, Spain, dropped about 20 percent in 1942, compared with the preceding year, principally because of a severe decline in coal deliveries.

The output in 1942 amounted to 89,000 metric tons, while in 1941 it totaled 117,000 tons, but during the first half of 1943, when coal again became available in sufficient quantities, production increased from 10 to 15 percent over the 1942 total. However, the output of potash is expected to show a substantial reduction during the second half of this year, because of a heavy drop in domestic sales and a decline in exports.

Shipments of muriate and sulfate of potash were sharply reduced in 1942, compared with the preceding year, having decreased from 138,204 metric tons, valued at 10,032,781 gold pesetas, in 1941, to only 70,720 tons, valued at 5,171,886 pesetas, in 1942, according to official Spanish statistics.

New sales are not being made on the local market, partly because dealers anticipate a drop in prices and partly because stocks are already fairly large. Company warehouses are filled almost to capacity, and mills may be forced to suspend operations, either partially or entirely.

SWISS INSECTICIDE PRODUCTION

The Swiss chemical industry has been successful, since the war started, in producing a number of new insecticides and plant-protection agents.

A large domestic demand has been established, and it is also expected that an export trade will be carried on after the war.

SWISS FERTILIZER SITUATION

Since the outbreak of war, there has been a serious shortage of certain types of fertilizers in Switzerland.

Phosphate imports from France practically ceased after the spring of 1940; later it became difficult to obtain supplies from North Africa. Some phosphates were expected from France in 1942, but only very small amounts were received.

Switzerland has no potash deposits and must depend entirely on imports. In 1942 imports of potash fertilizers totaled 55,244 tons. No nitrogen fertilizers were imported during that year.

The decrease in phosphoric-acid supplies has been serious. Bone meal from domestic bone collection is the only source at present, since it is not practical to mine the small local phosphate deposits. If the importation of phosphates

Wrapped Only in Gloom?

German authorities (reports the British press), have finally given up the uneven struggle of attempting to ration clothing—a commodity almost nonexistent in the Reich, so far as new garments are concerned.

Clothing cards for adults were suspended months ago because of an admitted shortage of textiles and leather. Collections of old clothes, rags, and discarded footwear have been of little avail, as the scarcity has become more acute.

Although the leaders have promised a speedy alleviation, this seems unlikely in the light of increasingly heavy raids which have inflicted severe damage to industrial centers, including important textile-manufacturing points.

cannot be resumed, a considerable decrease in crop yields must be expected. This has already become apparent on intensively cultivated farms.

Supplies of potash salts for 1943-44 are uncertain. Domestic production of nitrogen fertilizers is expected to increase and may be sufficient to meet urgent demands.

Electrical Machinery and Equipment

IMPORTS INTO FINLAND

Electrical machinery imported into Finland during May was valued at 64,500,000 marks, a substantial increase over the April total of 51,100,000 marks.

IMPORTS INTO NEWFOUNDLAND

Electric transmitting apparatus, wires, and cables imported by Newfoundland during the year ended June 30, 1942, were valued at \$248,000. The United States' share of this was \$161,000 and that of Canada was \$84,000, the Dominion press states.

NIGERIAN POWER SITUATION

During the year ended February 28, 1943, the Nigerian Electricity Supply Corporation distributed 54,709,236 kilowatt-hours, exceeding the preceding year by 5,191,975, says the foreign press. Power sales, at £194,327, showed an increase of £16,533. Cost of operations, likewise, rose from £18,053 to £23,495.

Because of the lateness of the rainy season and the greater demand for power, electricity was rationed to consumers during a portion of 1943. Because this power shortage caused a reduction in tin production, the Government is building a dam on the Tenti River to impound 300,000,000 cubic feet of water for use in the dry seasons. The work is so well advanced that a substantial amount of water should be available by next spring.

INCREASED ELECTRICITY CONSUMPTION IN JERUSALEM, PALESTINE

The Jerusalem, Palestine, Electric and Public Service Corporation, Ltd., has had a steady increase in consumers during the past year, states the foreign press. Gross revenue increased 15.6 percent over the preceding year and the kilowatt-hours sold exceeded last year by 20 percent.

Operating costs were higher, partly because of additional consumption of fuel oil following greater demands on the power plant, and partly because of the compensation made to employees for the rise in the cost of living.

Despite the partial isolation of Jerusalem resulting from the war, efficiency has been maintained in both plant and distribution system by improvisations and use of locally produced materials.

POWER PLANT TO BE BUILT IN SWEDEN

A private power-producing company will build a power plant on the Ore River

in Dalarna Province, Sweden, the foreign press states. The estimated cost is around 1,000,000 crowns.

HYDROELECTRIC PLANT TO BE BUILT IN TURKESTAN, U. S. S. R.

A powerful hydroelectric plant is to be constructed in Turkestan somewhere along the Syr Darya River which flows into the Aral Sea, according to a foreign trade journal. A gradual conversion from agriculture to industry, mainly metals and textiles, is taking place in this area.

Foodstuffs and Allied Products

Coffee

BRAZILIAN COFFEE STOCKS

Stocks of coffee at principal Brazilian ports on October 31, 1943, amounted to 2,387,047 sacks of 60 kilograms each, compared with 2,066,675 sacks on the corresponding date in 1942 and 2,873,281 sacks on September 30, 1943.

The Departamento Nacional do Cafe has reported that from 1931 to October 15, 1943, 77,953,362 sacks of Brazilian coffee were destroyed.

COFFEE CROP IN ANTIOQUIA, COLOMBIA

The 1943 coffee crop in the Department of Antioquia, Colombia, will amount to about 700,000 sacks of 70 kilograms (1 kilogram = 2.2046 pounds) each, compared with about 800,000 sacks in 1942.

Heavy rainfall during the greater part of 1943 was held responsible for the decrease.

SALVADORAN EXPORTS INCREASE

Exports of coffee from El Salvador in the coffee quota year, October 1, 1942, to September 30, 1943, amounted to 833,098 bags of 69 kilograms each, compared with 765,328 bags in the 1941-42 quota year and 541,178 bags in the period December 7, 1940, to September 30, 1941, according to the first annual report of the Salvador Coffee Co., Inc., released on November 15, 1943.

EXPORT PROSPECTS, HONDURAS

It is estimated that approximately 35,000 to 45,000 bags of 60 kilograms each of coffee (1 kilogram = 2.2046 pounds) will be available for export from Honduras during the quota year that began October 1, 1943.

NICARAGUAN COFFEE SITUATION

Only 925 bags of coffee of 60 kilograms each remained in the port of Corinto, Nicaragua, on October 31, 1943, according to the Nicaraguan Coffee Board. This is the last of the 1942-43 season's crop.

During October, heavy rainfall in the coffee-growing regions reportedly hastened the maturing of the current coffee crop and brightened the prospects for next year's yield. Major harvesting operations were scheduled to begin about the middle of November. Local supplies of gasoline, Diesel oil, and lubricants, needed for the operation of automo-

Brazil Aids Paraguay in Food Projects

Brazil, through practical application of inter-American cooperation, is assisting its small neighbor, Paraguay, in a food-expansion program.

Several Brazilian specialists are teaching in the National Agricultural School at San Lorenzo. Dr. Jose Ferrera de Castro, soil specialist, who has done extensive experimental work in his own country, and Dr. Miranda, specialist in growing cereals—grains, rice, wheat, and corn—also have been assigned by Brazil to aid in the food program.

The Brazilians work at Caacupe, site of Paraguay's National Agronomic Institute. On this property there is a well-advanced project concerned with seed propagation, crop rotation, and the use of fertilizers. Seed bought from Brazil is being used.

tive carriers and coffee-mill equipment, were reported to be sufficient. The Rationing Division of the Nicaraguan Board of Price Control and Commerce reported that a special quota of petroleum products was being made available to coffee growers for the purpose of harvesting and transporting the crop.

During October, several local newspapers carried articles informing coffee growers of the necessity for properly marking shipments from Nicaragua to the United States. Detailed instructions concerning the marking of the coffee bags, as set forth and approved by the leading coffee exporters, have been circularized among the growers. It is hoped that these efforts will facilitate the handling of shipments of Nicaraguan coffee in United States ports.

Fish and Products

SARDINE FISHING CURTAILED IN FRENCH MOROCCO

It appears that the Moroccan sardine fishing season, which began September 1 this year instead of June 15 as is customary, will be a poor one, inasmuch as the principal fishing ports of Casablanca, Safi, and Fedala are blocked by mine fields, and commercial fishing vessels can use them only during certain hours.

Because of the curtailment of night fishing, the supply of fish available to Casablanca and Fedala boats is reduced by 50 percent.

According to advance estimates, Morocco's 1943 sardine pack will not exceed 300,000 cases, as compared with a normal pre-war pack of 750,000 cases.

Grain and Products

ECUADORAN RICE SITUATION

Rice production in Ecuador has increased steadily in the past few years. This year's output is estimated at 2,000,-

"It's All the Rage in New York!" Murmur Latin American Ladies

If clothes make the man or the woman, then ladies in the other American republics will soon be thinking and acting like their North American sisters, says a statement by the Office of the Coordinator of Inter-American Affairs.

From Tierra del Fuego to the Mexican border, Paris is "passé" where women's wear is concerned, and feminine eyes now turn eagerly to New York, or to pages full of North American styles in their own fashion magazines, for inspiration on what the well-dressed señorita will wear this season.

The best department stores in Rio de Janeiro, Santiago, Lima, Bogota, and other American capitals now show North American styles almost exclusively. Lavish illustrations in women's magazines and newspapers show how far the ladies south of the border have swung from tyrannical domination by European dress designers.

What this means in terms of good will between hands that rock the cradle in North America and hands that rock the cradle in South America only the ladies will be able to say. But what it means in *dollars and cents* is something more concrete, for it may open up a market of millions for this country's billion-dollar garment industry after the war.

Sports wear designed in this country is particularly popular with the feminine contingent in the other Americas, says the Coordinator's Office, but business and formal wear run a close second. Mundo Uruguayo, of Montevideo, is profusely illustrated with photographs of the latest "confections" of New York designers. In some cases the originals have been imported and placed on sale, as a foretaste of the frilly post-war world which awaits impatient Latin American ladies.

Textile and garment manufacturers contemplating this promising market, however, will do well to remember one important climatological fact: Seasons are reversed south of the Equator, and when it's Springtime in the Rockies, it's Autumn in the Andes. Likewise, the good old summertime in this country means wintry blasts and driving snow in many of the South American countries.

000 quintals (101.4 pounds) compared with 1,649,406 quintals in 1942.

Two varieties of rice are cultivated in Ecuador. Canilla rice represents 80 percent of the total yearly harvest, and Fortuna rice 20 percent.

Whereas Fortuna rice formerly comprised the bulk of the Ecuadorian crop, the trend during the past 5 years has been toward Canilla, it having been demonstrated that the latter variety produces larger and more uniform crops, is more resistant to disease and insect plagues, and keeps better in storage. Furthermore, Canilla rice is preferred on the export market because of its white grain.

There are 48 rice mills in operation in the Guayas River Basin.

Prior to May 8, 1943, rice could be exported only under a special license issued by the Ministry of Agriculture. However, in view of increased production and carry-over from previous crops, free exportation is now allowed in amounts prescribed from time to time. A special license is still required to export unhulled rice.

Ecuadorian rice production, consumption, and exports for the years 1938 to 1942, and estimated production for 1943, are shown in the following table:

[In Spanish quintals of 101.43 pounds]

Year	Production	Domestic consumption	Exports
1938	980,000	545,000	435,000
1939	800,000	600,000	200,000
1940	899,000	490,248	398,752
1941	1,230,340	777,945	452,395
1942	1,649,406	887,024	762,382
1943	2,000,000		

¹ Estimated.

Meats and Products

AUSTRALIAN PRODUCTION GOAL FOR 1944

The Commonwealth of Australia authorities have set a production goal of 1,125,000 tons of meat for 1944.

Australian beef and veal production in the calendar year 1943 is estimated at 515,000 long tons, and 1944 production of beef is forecast at 540,000 tons, according to the Controller of Meat Supplies.

Estimated production of mutton and lamb in 1943 is 385,000 tons and 1944 anticipated output is 475,000 tons.

Pork production in 1943 is estimated at 38,000 tons and bacon and ham (cured weight) at 41,000 tons, while the 1944 forecast is 45,000 and 65,000 tons, respectively.

MEXICO'S HOG INDUSTRY

Statistics indicate that Mexican production of hogs has increased greatly in recent years. According to the 1940 census, there were approximately 5,392,000 hogs in Mexico compared with 3,698,000 in 1930, an increase of 46 percent. During the same period, cattle and sheep

increased 17.2 and 23 percent, respectively.

According to records of the slaughterhouses controlled by certain governmental regulations, the number of hogs slaughtered in the entire Republic was 1,021,572 in 1941 and 1,079,671 in 1942. It is roughly estimated that, in addition, at least 50 percent more were slaughtered in uncontrolled slaughterhouses and by individuals.

Recorded slaughterings in the Federal District totaled 256,199 head in 1941 and 250,793 head in 1942. In the first 7 months of 1943, hog slaughterings were slightly below the corresponding period of 1942, or 148,606 compared with 159,481.

The average dressed weight of hogs slaughtered in the Republic in the 5-year period, 1936 to 1940, was about 132 pounds. Average dressed weight of hogs slaughtered in the Federal District during the same period was 174 pounds, and for 1941, 1942, and the first 7 months of 1943, 179, 176, and 182 pounds, respectively. It is believed that the better hogs, from the standpoint of both size and quality, are sent to Mexico City. The heavier weights in recent years may be attributed to such factors as the larger demand and the shortage of lard which encouraged feeding to heavier weights, and also to the small amount of breed improvement which is taking place.

Consumption of pork in Mexico has increased substantially. Estimates indicate that the annual consumption per capita increased from 7.7 pounds in 1930 to 9 pounds in 1940 and to 10 pounds in 1942. The consumption per capita in the Federal District is more than twice that of the Republic as a whole; it increased from 18 pounds in 1930 to 22 pounds in 1940 and to 26 pounds in 1942. It is believed that consumption of pork has increased at least as fast as consumption of beef.

Total per-capita consumption of meat in 1942 was estimated at 36.8 pounds in the Republic and 75 pounds in the Federal District.

Apparently there was no serious shortage of pork in Mexico in the past year, though there was a serious shortage of beef. The slightly decreased slaughterings of hogs in the Federal District was not considered serious.

Hog imports into Mexico never have attained significant proportions. In 1942, about 3,119 head were imported, which was the largest import since 1933. During the first 8 months of 1943 only 76 head were imported.

LARD IMPORTS BY NEWFOUNDLAND

Imports of lard into Newfoundland for the year ended June 30, 1942, valued at \$67,000, were three times the value of similar imports in the last pre-war year. About 95 percent of the total, or \$63,400, was from Canada, a Dominion commercial journal states.

Sugars and Related Products

CANADIAN HONEY CROP

The 1943 Canadian honey crop, tentatively estimated at 32,500,000 pounds, was one of the best on record. It showed a gain of approximately 35 percent compared with the 24,100,000 pounds pro-

Warlike Ingenuity
Is Already Shaping
Peacetime Miracles

duced in 1942, and a 19-percent increase compared with the 10-year (1932-41) average of 27,300,000 pounds.

Ontario produced about 12,000,000 pounds compared with the short crop of 7,800,000 pounds in 1942, and production in the Prairie Provinces totaled about 14,000,000 pounds, a substantial increase over the 10,600,000 pounds produced in the preceding year. Quebec's share was 5,000,000 pounds; British Columbia, produced 1,300,000 pounds, slightly less than last year's production. Production in the Maritime Provinces was also less than last year.

About 50 percent of this year's crop had already been marketed when retail sales of honey were suspended by the Canadian Government prior to the introduction of coupon rationing for this commodity on September 2, 1943. Prior to that date, the greater proportion of sales had been made direct to the consumer with very little honey moving through normal trade channels.

ESTIMATED SUGAR PRODUCTION, NICARAGUA

Production of sugar in Nicaragua in the 1942-43 season, which ended September 30, 1943, is estimated at 13,500 short tons—about 20 percent greater than the preceding season's production.

Annual consumption of sugar in Nicaragua is estimated at 11,000 tons and stocks on September 9, 1943, were reported to be 6,050 tons.

SWITZERLAND MANUFACTURES "ARTIFICIAL GRAPE HONEY"

To add to Switzerland's sugar supplies, approximately 10 percent of the 1942 grape crop, or 44,000 hectoliters of grape juice, were boiled down, according to the foreign press. However, as this concentrate would have had to be sold at between 8.60 and 11.80 francs a kilogram, to cover the cost of production, it was decided to add a certain percentage of glucose or sugar. The product is called artificial grape honey and will be sold at approximately 5 francs a kilogram.

Iron and Steel

CHILE'S POST-WAR PLANS FOR IRON AND STEEL UTILIZATION

Chile's post-war plans for the utilization of iron and steel from domestic mills include the construction in Chile of small ships for deep-sea fishing; the foreign press states.

COLOMBIAN STEEL MILL ACHIEVES HIGH RATE OF PRODUCTION

The Empresa Siderúrgica, a steel mill in the Department of Antioqui, Colombia, has achieved a high rate of production despite shortages of material and equipment. Manganese steel castings and grinding balls are now being produced for the mining industry.

The installation of a rolling mill and a new electric furnace was reported in October to be in process. Reinforcing rods, angle beams, small girders, and other building materials are to be made, in addition to machinery parts and replacements. Annual production capacity of the mill will be about 8,000 tons.

Leather and Related Products

IMPORTS INTO NEW ZEALAND

Value of leather imports into New Zealand increased from £18,383 in the first half of 1942 to £159,925 in the corresponding period of this year.

Imports of tanning materials, however, decreased in value from £37,704 in the first 6 months of 1942 to £31,176 in the first half of 1943.

Lumber and Products

ARGENTINA'S LUMBER IMPORTS

In pre-war years Argentina consumed from 250,000,000 to 300,000,000 board feet of softwoods annually, says the foreign press.

Approximately one-third of this amount was Southern yellow pine shipped from the gulf ports of the United States. In 1942, however, yellow pine imports dropped to 5,000,000 feet.

Out of a total of 207,000,000 board feet of lumber imported in 1942, 180,000,000 feet was Brazilian pine; only 11,000,000 feet came from Sweden. Imports in 1941 amounted to 214,409,000 feet.

No lumber was received from the Pacific Coast of the United States during the last half of 1942, it is stated.

CANADIAN FIRM ACQUIRES TIMBER STAND AND MILL CONTROLLED BY JAPANESE

An estimated 250,000,000 feet of standing timber as well as a sawmill of the Trans-Pacific Lumber Co., formerly controlled by Japanese interests, have been

acquired by Overseas Wood Products, Ltd., a subsidiary of Nelson, Spencer, Ltd., of British Columbia, the Canadian press reports.

The property is located at Poett Nook, Barkley Sound, at the mouth of the Alberni Canal. Stands of cedar, hemlock, and Sitka spruce are sufficient for a 10-year operation.

It is planned to enlarge the mill and to increase its present daily capacity of 50,000 feet to approximately 200,000.

GREENHEART EXPORTS FROM BRITISH GUIANA DECREASE

Exports of greenheart from British Guiana dropped more than 50 percent in 1942 compared with the preceding year, according to the annual report of the Forest Department.

Greenheart shipments in 1942 amounted to only 146,743 cubic feet, valued at \$131,972 (Guiana dollars), compared with 352,753 cubic feet in 1941, with a value of \$256,797 (British Guiana dollar=\$0.834 U. S. currency).

In the latter part of 1942, large orders for greenheart were placed with British Guiana firms and the local timber trade has since had difficulty in meeting heavy demands, both domestic and foreign. The industry, which is not highly organized, faces a number of problems. In many cases equipment, which is becoming increasingly difficult to replace, is wearing out.

CANADIAN ORDER ESTABLISHING GRADE FOR AIRCRAFT LOGS ABOLISHED

The order of October 2, 1942, establishing a grade for hemlock logs for aircraft has been abolished, according to an announcement by the Assistant Timber Controller for British Columbia.

Aircraft-grade hemlock cannot be produced from British Columbia logs in sufficient quantities to justify the continuance of a special grade, it is stated.



nor has it been established that hemlock is interchangeable with spruce in aircraft construction.

Furthermore, the announcement says, the supply of spruce is considered adequate and hemlock lumber for aircraft is no longer being produced for the war effort.

BALSA EXPORTS FROM ECUADOR

No unusual developments occurred in the Ecuadorian balsa-wood industry during September.

August exports indicated a slight decline compared with previous months, but continued on a scale larger than in 1942. Balsa exports for the first 8 months of 1943 show a substantial increase over the corresponding period in 1942.

LUMBER NEEDED IN SICILY, ITALY, FOR LEMON EXPORTATION

Lumber will be needed in Sicily if any considerable quantity of lemons is exported, says the foreign press.

Before the war, 10,000 tons of lumber were imported monthly for box-making.

OIL EXTRACTED FROM WASTE WOOD IN SWEDEN

To overcome shortages of imported liquid fuels, Sweden is using waste wood for the extraction of industrial and motor oil, the Swedish press reports.

Many forests have large numbers of dead trees or trees unsuitable for logging or pulp-making and a large distillation works to utilize this wood has been established recently in northern Sweden. The timber is floated to the plant, where it is dried and then split and fed into retorts. There are 12 of these retorts with a total capacity of

approximately 1,000 cubic yards of wood in 24 hours. The gases obtained are conducted to a large condensing plant.

"Motor tar," used by a large part of the Swedish fishing fleet as a substitute for motor fuel oil, is the plant's most important product at present. Methanol is also secured in considerable quantities. Recovery of the acetic products and phenols in the waste liquid will begin soon, it is stated. The residual charcoal is sent to the iron works.

This enterprise, which is owned by the Swedish State Board of Forests and Crown Lands, is not considered an emergency project only. It is expected that many Swedish industries will make much greater use of wood derivatives in the future.

LUMBER SITUATION, U. K.

Before the war, when the United Kingdom imported most of its requirements of softwoods from a few countries, timber stocks had considerable uniformity, says a British lumber journal.

Swedish and Finnish trade stopped entirely after the outbreak of the war, however, and only small quantities of wood from the Soviet Union have been obtained. For a time the United Kingdom received some shipments of so-called maritime pine from France, but after these imports ceased Canada became the principal source of supply.

Almost every variety of softwood has been imported from the Dominion. Lumber which was formerly obtained from the Soviet Union, Sweden, and Finland has been replaced by Douglas fir, hemlock, cedar, silver spruce, red pine, yellow pine, and other species from Canada. Many softwoods not formerly familiar to the United Kingdom trade

have been imported during the past 2 years.

In Great Britain itself, hardwoods are much more plentiful than softwoods, and they have had to be substituted even for purposes for which softwoods were formerly considered essential. This may result, it is said, in a less-sharp distinction between softwood and hardwood trade after the war. Softwoods are needed in much larger quantities than hardwoods, but, if supplies are limited for a time, the experience gained during the war should make it possible to supplement the quantity with certain varieties of hardwoods. Even after imports are no longer limited, the lumber trade will probably be influenced to some extent by wartime practices.

The accumulation of inferior grades of hardwood has also been a problem in the United Kingdom's home-grown lumber trade.

Supplies of high-quality wood are not sufficient to meet requirements, but it has not been possible to find uses for large amounts of inferior grades, mostly short lengths. Oak has been most difficult to sell; even packing-case factories which can use short lengths prefer other woods to oak. The recent release of additional quantities of lower-grade wood for agricultural purposes will probably aid in moving some of the stocks.

Seasoned hardwoods should be easier to obtain, it is stated, since many new drying kilns have been established and existing ones enlarged.

Machinery, Other Than Electrical

COLOMBIAN TEXTILE MILLS IN NEED OF MACHINERY

Many textile mills in Colombia will probably be in the market for machinery replacements after the war. It is estimated that the industry now needs about 100,000 spindles, 1,400 to 2,000 looms, 20,000 spindle twistors, and a large quantity of knitting machines, motors, and other equipment.

Present indications are that post-war demands may total between \$4,000,000 and \$6,000,000.

TYPESETTING-MACHINES SITUATION IN BRAZIL

The situation regarding typesetting machines in Brazil is reported to be serious because of two factors: many of the present typesetting machines have been used long beyond their normal length of years; and the usable machines are not being serviced adequately because of a lack of spare parts.

There are approximately 1,500 composing machines in Brazil, of which 1,350 are linotypes, 72 are monotypes, and the remaining 78 are intertypes and typographs. Of the 1,350 linotypes, 238 have been in use for 15 years, 131 for 20 years, and 298 for 25 years. Before the war 15 years was considered the normal life of a linotype.

The following table shows that the average number of linotype machines

Sao Paulo's Printing and Publishing Industry One of Greatest in Americas

Coffee and a good book or newspaper have long been synonymous in the minds of millions of Americans, and Brazil's southern State of Sao Paulo is out to keep them synonymous. For generations one of the world's greatest coffee growing and shipping regions, Sao Paulo is rapidly becoming one of the hemisphere's greatest printing and publishing centers as well.

In the 15 years from 1926 to 1941, the area's graphic-arts industries progressed to the point where they now handle approximately 70 percent of Brazil's book production of 8,000,000 copies a year, says a statement by the Office of the Coordinator of Inter-American Affairs. From 26 editions totaling 172,500 copies in 1926, book production in Sao Paulo soared to 338 editions and 2,159,289 copies in 1941.

Handling this production are 15,000 specialized workers in almost 430 plants, including 368 typographical establishments, 33 lithograph shops, and 26 stereotype shops. Most of these plants are equipped to handle any type of printing.

Sao Paulo also boasts of 16 of Brazil's 38 paper factories, and in 1941 produced 129,000 tons of high-grade paper—almost 50 percent of the national production.

Sao Paulo's fame as a key printing and publishing center has made it a mecca for publishers in other cities and in neighboring American republics. Many of the most important publishers in Rio de Janeiro send their books to Sao Paulo for printing because of the superior workmanship of its craftsmen and the low costs.

The Sao Paulo book industry reached its maximum production in 1936, when 396 editions, totaling 2,484,238 books, were printed. Since then, war restrictions on importation of machines, printing material, and manufactured products have caused a slight decline in production, but the area continues to be one of the Americas' greatest sources of cultural development and enlightenment.

and parts imported in recent years (1937 to 1942) is about 50 per year. It was reported in November that only 27 had been imported in 1943.

Year	Number	Value
1937	62	\$310,000
1938	32	160,000
1939	46	230,000
1940	32	160,000
1941	65	325,000
1942	42	210,000
1943	27	135,000

¹ Based on the average price of \$5,000 per machine.
² Sold in 1941 and 1942.

Total sales of repair parts, replacement parts, and matrices for molding type has dropped sharply. In 1938, sales totaled \$130,394; in 1939, \$156,194; in 1940, \$113,648; in 1941, \$186,153; in 1942, \$96,591; and in 1943 (to August 31), \$54,795.

NICARAGUA'S IMPORTS FROM MEXICO

The value of machinery imported by Nicaragua from Mexico in 1942 increased 568 percent over 1941, reaching a total of \$26,831. Mining equipment, none of which was imported from Mexico in 1939, 1940, or 1941, amounted to \$21,000 and was largely responsible for the year's increase.

In 1938, machinery, valued at \$20,374, accounted for almost 40 percent of the total value of imports from Mexico. In 1939, however, machinery imports dropped to \$6,826, and in 1940 amounted to only \$2,696. Some increase was recorded in 1941, the total reported being \$4,014.

Metals and Minerals

EGYPT PLANS DEVELOPMENT OF DESERT AREA

Development of the desert area along the coast of the Red Sea south of Suez is planned by the Egyptian Government in view of the region's rich deposits of gold, emeralds, lead, manganese, copper, iron phosphates, and oil, states the foreign press.

GOLD AND SILVER EXPORTS FROM NICARAGUA

Exports of gold and silver (mostly gold) from Nicaragua in September 1943 increased in value to \$779,822 from the \$542,741 reported for August 1943 and \$614,626 shown for August 1942. However, the total value of gold shipments in the first 9 months of 1943, amounting to \$6,009,652, was slightly below the \$6,274,224 reported for the corresponding period of 1942.

SWEDISH ORE FIELD TESTED FOR COPPER

The ore field of the Fornatna mine in the parish of Natra, Sweden, idle for 70 years, has been tested for copper. Though strict secrecy is maintained as to the value of the deposits, magnetic pyrites have been discovered and it is expected that sulfur and copper also will be found.



ESTIMATED RESERVE OF TATI, SOUTH AFRICA, GOLD FIELDS

Ore reserves of the Tati gold fields, Union of South Africa, are now estimated at 69,259 tons, averaging 4½ pennyweight a ton in an average width of 63 inches, states the foreign press.

A total of 9,304 ounces were recovered from the 60,320 tons that were milled in the year ended March 31, 1943.

enterprises, will collaborate with I. G. Farbenindustrie.

The only producer at present is "El Yrati," S. A., Pamplona, with an output of about 800 tons of pitch per week.

Oils and Oilseeds

COTTONSEED SITUATION, BRAZIL

Early in the autumn of this year, the Secretary of Agriculture of the State of Sao Paulo, Brazil, announced that 781,000 bags of cottonseed, or the same number that was distributed in the 1942-43 season, would be apportioned to growers during the current planting season.

Advices from Brazil state that many planters consider this amount unsatisfactory, since they wish to increase their acreage. There are several reasons, it is said, for this attitude. A good price was paid for cotton last season, and it is probably the most profitable crop, with the exception of peanuts, which can be grown on a large scale. The European markets, as well as those in the northern part of the Americas, have grown. In addition, little farm equipment is needed to cultivate the crop. Facilities for marketing cotton exports are better, growers conclude, than for many other exportable products.

Of the 14 cottonseed fumigation and distributing stations throughout the State of Sao Paulo, many are not adequately supplied with seed for distribution. For example, of the 100,000 bags annually allotted the region of Presidente Prudente, one-fourth is produced within the region and the remainder must be procured from other sources, and, since railroad shipping space is exceedingly limited, that 75-percent balance, at last reports, was not available there.

It is reported that as a result of this condition, sizable quantities of cottonseed are being sold through the black

Motion Pictures and Equipment

NEW ZEALAND'S IMPORTS

The value of motion-picture equipment and films imported by New Zealand in the 7 months ended July 30, 1943, was £NZ188,352, according to figures published by the New Zealand Government. Similar imports in the first 7 months of 1942 were valued at £NZ116,377.

Naval Stores

NEW WOOD-DISTILLATION PLANTS AUTHORIZED IN SPAIN

There is a shortage in Spain of wood-distillation products. Former sources of supply have been cut off, and domestic production cannot meet the demand.

Four new plants have been authorized by the Government to start manufacture or are under construction, but none is yet in operation. Carbones e Industrias Maderas S. A., Barcelona, will have an estimated output of 240 metric tons a week. Other plants in the Barcelona area will be Jacinto Dubarri Serra and Salter Modolell, San Celoni.

Sociedad Española Industrias Químicas-Farmacéuticas, Madrid, expects to produce 2,000 metric tons weekly. This factory, which is the largest of the new

market, not only in Presidente Prudente but in other zones as well. The Government is taking steps to eliminate this activity.

Current estimates of the 1943-44 cotton crop in the State of Sao Paulo, Brazil, are from 450,000 to 500,000 metric tons. If the lower figure is attained, 900,000 tons of cottonseed will be produced. Of this total, 85,000 tons of refined cottonseed oil can be obtained from the 850,000 tons thus available for crushing. More than one-half, or 45,000 tons, of refined cottonseed oil will probably be domestically consumed, leaving an exportable surplus of 40,000 tons.

BRAZIL'S PEANUT CROP PROSPECTS

A 1943-44 peanut crop of 10 percent (or about 2,500 metric tons) less than that of the preceding year is predicted in current estimates for the State of Sao Paulo, Brazil. Forthcoming production is indicated to be about 20,000 metric tons. If peanut prices had been raised or restrictions had been placed on cotton plantings, it is felt by many of the local trade authorities that peanut plantings would have been greater.

BRAZILIAN TUNG-OIL PROSPECTS

Because a freeze in the middle of September damaged the flowering of tung trees, growers in the State of Sao Paulo, Brazil, estimate that the 1943 production of tung oil will be considerably less than that of last year.

DEVELOPMENTS IN COCONUT INDUSTRY, JAMAICA, B. W. I.

The Coconut Marketing Board, an official agency of the Jamaican government, with the objective of controlling the coconut industry and thus utilizing fully the production of coconuts in Jamaica, is planning to purchase and operate Soap and Edible Products, Ltd.

It is anticipated that the Board will use £50,000 of its reserves to buy the manufacturing concern, with the remainder of the necessary capital being raised by government and private debentures.

It is expected that the Board eventually will absorb Caribbean Products, Ltd., the other principal coconut-products manufacturer, and thus nationalize the industry.

SHARK-OIL RENDERING BEGUN IN GUATEMALA

Among the new industrial enterprises begun in Guatemala during 1943 is a shark-oil rendering business located at San Jose.

SITUATION IN INDIA

Acreage devoted to sesame in India was placed at 2,774,000 acres in the second official forecast. This is 29,000 acres more than the 2,745,000-acre forecast at the same period last year.

Condition of the sesame crop is said to be fairly good.

INCREASED CASTOR-BEAN PLANTINGS ENCOURAGED IN JAMAICA, B. W. I.

Four groups, the Marketing Board, the Department of Agriculture of Jamaica, the Jamaica Agriculture Society, and

Schools for Rubber Tappers

Schools for rubber tappers are being set up with United States aid in the other Americas to boost war-time production of rubber and to conserve the rubber-bearing trees for continued use after the war, says the U. S. Department of Agriculture. Production from a trained tapper may reach three times that from traditional methods of hacking away haphazardly with machetes.

Already plans are under way for classes in Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Venezuela, and British Guiana and Trinidad.

The Government of Panama has published an illustrated booklet in Spanish on the improved methods, and this has been used for training in various countries.

Jamaica Chemical Industries, Ltd., are coordinating their efforts to encourage growers to increase their plantings of castor beans and to encourage manufacturers to produce more castor oil.

As a result of mutual agreement, all castor beans bought will be at the rate of £22/10s. per long ton. There is no limit to the quantity of the 1943 crop that will be accepted.

Supplies of linseed on hand in Calcutta, India, were said to be almost nil at the end of the first semester of 1942. By the end of September, though arrivals improved, local mills were averse to paying the high prices demanded.

At the end of September, 6,000 long tons of linseed were stocked at Bombay, according to estimates by local shippers. For the first 9 months of 1943, 7,272 long tons of linseed had arrived at Bombay, which is less than one-tenth of the 79,735 tons which arrived in the comparable period of 1942.

Approximately 4,000 long tons of linseed comprised the consumption in the Bombay area during the third quarter of 1943 and this amount is about equal to that of the preceding 3-month period. Though actual data concerning Calcutta consumption were not available, it was estimated that the consumption there increased slightly during the third quarter.

About 1,000 long tons of linseed oil were said to be on hand at Calcutta, India, September 30, 1943.

Exports of many small quantities were made from that sector during the third quarter of 1943.

About 2,150 long tons of castor seed were exported from the Madras area of India during the third quarter of 1943, bringing the total of the year ended September 30, 1943, to 11,000 long tons, estimates a trade source.

Domestic consumption of castor seed during the third quarter in the same sector was thought to be about 9,750 long tons, but in the Bombay area only 1,800 long tons were used.

As of September 30, 1943, the exportable surplus of castor seed in the Madras region was estimated at 5,000 long tons; in the Bombay area, 300 long tons; and in Calcutta, a very small undetermined amount.

Prices for castor oil on the Calcutta market fell during the third quarter of 1943 as a result of decreased demand on the part of oil mills as well as Government accounts. Stocks of castor oil in Calcutta were said to be low at the end of September. There were no exports during the preceding 3 months.

Supplies of rapeseed at Karachi, India, at the end of the third quarter of 1943 amounted to 5,250 long tons. An estimated 200 long tons of rapeseed and mustard seed were said to be available at that time in Bombay.

Karachi also had 4,310 long tons of toria on hand at the close of the third quarter, and 520 long tons of cottonseed.

MEXICAN POPPY SEED SENT TO U. K. FOR EXTRACTION TESTS

Samples of Mexican poppy seed have been shipped from Nigeria to the United Kingdom for oil-extraction tests, according to a foreign trade journal.

PORTUGUESE OLIVE-OIL PRODUCTION

Unofficial estimates of 1943 olive-oil production in Portugal place the output at 80,000,000 liters. This figure is 110.5 percent greater than the 38,000,000-liter production reported in 1942. Olive crops, however, are generally more successful in alternate years. According to official releases, the 1941 olive-oil output in Portugal amounted to 100,250,000 liters; thus, the 1943 production is approximately one-fifth less than that of the second preceding year, a more comparable period. Official statistics show the 1940 olive-oil output (38,299,500 liters) to be consistent with this trend.

URUGUAYAN LINSEED ACREAGE

Latest official estimates of the area under linseed cultivation in Uruguay give the total as approximately 346,000 acres, compared with about 297,700 acres harvested during the 1942-43 crop year, according to a foreign trade publication.

Paper and Related Products

IMPORTS INTO BRITISH GUIANA

Total value of paper imported into British Guiana during 1942 was \$358,404, the foreign press reports; imports from Canada were valued at \$192,216, from Newfoundland at \$5,569, the United Kingdom \$101,359, and the United States \$52,176. (Figures are in British Guiana dollars; 1 British Guiana dollar = \$0.834 U. S. currency.)

IMPORTS INTO NEW ZEALAND

Imports of wood pulp and paper pulp into New Zealand during the first 6 months of 1943 were valued at £24,986, compared with £12,181 for the corresponding period of the preceding year. Newsprint imports during the first 6

months of 1943 were valued at £83,251, more than 10 times the value of newsprint imported during the corresponding period of last year. Value of other paper imports increased from £282,953 in the first half of 1942 to £579,581 in the first 6 months of 1943.

NICARAGUAN IMPORTS FROM MEXICO

Imports of paper products and books into Nicaragua from Mexico during the first 9 months of 1943 were valued at \$65,000, according to preliminary estimates. During the entire year of 1942 the value of these commodities totaled only \$5,550.

Peat

OUTPUT IN QUEBEC, CANADA

In November, the Canadian press reported that output of peat fuel in Quebec Province so far this year amounted to some 1,200 short tons. Next year's output of this new industry is expected to be about 10,000 tons.

Canada's commercial output of peat for fuel purposes in 1942 is reported at 172 short tons, valued at \$1,204.

Petroleum and Products

BRITISH GUIANA'S IMPORTS OF LUBRICATING OIL

Value of imports of lubricating oil into British Guiana rose from \$180,798 (1 British Guiana dollar=\$0.834 U. S. currency) in 1941 to \$280,140 in 1942, according to the foreign press. Imports of this product from the United States in 1942 were valued at \$242,338; from the Netherlands West Indies, \$18,120; and from Canada, \$17,697.

ACTIVITY IN CANADA

Within the next 12 months an intensive search for oil will be made in western Canada, including Saskatchewan, claims the Dominion press. The execution of a test-well program in the west has been delayed by lack of geologists and trained drilling crews.

Drilling activity in oil fields outside Turner Valley in Alberta is reported to be almost equal to that of the major fields. In Turner Valley, 19 wells are drilling, while in fields outside, 18 are drilling.

Producing wells outside the valley have increased from 33 to 42 within the past year, and production of crude oil has risen from 465 to 787 barrels per day. In the same period, the Turner Valley wells have increased in number from 195 to 213, but production has dropped from 26,524 to 24,321 barrels per day.

NEW WELL IN NICARAGUA

Spudding-in operations were started in the latter part of September on a location 40 kilometers north of Puerto Cabezas, Nicaragua. On October 27 it was reported that a well to the depth of 3,500 feet had been drilled.

Railway Equipment

LOCOMOTIVES TO BE MANUFACTURED IN CHILE

The State Railways of Chile have ordered the construction of six locomotives of the Mikado type in their San Bernardo shops for use on the Longotoma-Los Vilos cut-off, reports the South American press. Parts such as boilers, wheels, and trucks, which cannot be made locally, have been ordered.

Consideration is being given also, it is stated, to the local manufacture of wheels for freight cars and streetcars.

Rubber and Products

AUSTRALIAN MANUFACTURE OF ELASTIC SURGICAL GOODS

Since the outbreak of the war, there have been many changes in the manufacture of elastic surgical goods in Australia. While restricted by Government regulations as to importing supplies and making articles of which rubber is a constituent part, many companies are manufacturing articles which they formerly imported.

Surgical adhesive plaster is being made in Australia for the first time by two companies. Since military needs for this commodity are high, production is not meeting civilian demands. Four companies are manufacturing suspensories, which were formerly imported from the United Kingdom and the United States.

The manufacture of athletic supporters, anklets, kneecaps, and wristlets was well established in Australia before the war. There are now 4 companies that make elastic goods, 5 who manufacture elastic stockings, 8 who manufacture

surgical rubber goods, and 17 who make surgical belts.

While square-cut thread is produced in Australia, uncovered rubber thread in the finer counts and uncovered round extruded rubber thread are imported. Before 1939, knitted-elastic pieces were not locally manufactured. Now a company in Victoria makes its own elastic for corsetry, covers rubber thread for its own use and for sale, and produces knitted-elastic piece goods from 1 inch upward in size. Another company in Victoria produces all types of braided and woven elastics up to and including those 2 inches in width. Local manufacture can supply the bulk of the normal market's demands for elastic less than 1 inch in width.

Australian manufacturers of elastic surgical goods import most of their supplies of elastic except that used in waistbands. Because of Government control of both imports and production, the making of many articles for civilian use has been suspended and stocks of such goods are low. The question of releasing more materials for use in elastic goods for surgical purposes is said to be under consideration.

CRUDE-RUBBER EXPORTS FROM THE BELGIAN CONGO

So far this year the Belgian Congo has exported to South Africa 4,000 tons of crude rubber according to an announcement made by the Governor General of that country. Production of crude rubber, made up for the most part of root and vine rubber, is expected to be 10,000 tons for 1943.

BRITISH GUIANA'S IMPORTS OF TUBES AND TIRES

Value of imports of rubber tubes and tires into British Guiana dropped from \$67,903 (1 British Guiana dollar=\$0.834 U. S. currency) in 1941 to \$33,121 in 1942, claims the foreign press. Value of imports of these products from Canada in 1941 was \$52,937, decreasing to \$17,151 in 1942.

CANADIAN EXPORTS OF SHOES, BOOTS, AND HEELS

In June 1943, Canada exported 57,939 pairs of rubber shoes and boots compared with 42,838 pairs in June 1942, says the Dominion press. There were also exported in June of this year 8,000 pairs of rubber heels.

IMPORTS INTO NEW ZEALAND

In the first 7 months of 1943, New Zealand imported raw rubber and rubber goods (excluding tires) to the value of £NZ59,705, according to figures published in New Zealand. During the corresponding period in 1942, rubber and rubber products imported were valued at £NZ152,946.

RUBBER CONSERVATION, U. K.

The crude-rubber equivalent of 900,000 large tires has been saved in England during the past year, the British press claims. The economy was effected by reducing the crude-rubber content of tires, planning production, and supervising the issuance and maintenance of tires.



Scientific and Professional Equipment

NEW ZEALAND'S IMPORTS

Surgical and dental instruments and materials imported by New Zealand in the first 7 months of 1942 were valued at £NZ257,999—approximately double the value (£NZ128,782) of similar imports in the corresponding months of 1942.

Imports of optician's instruments and materials varied little in the two periods, totaling £NZ29,997 from January through July 1942, and £NZ29,780 from January through July 1943.

Shipbuilding

TONNAGE BUILT IN CANADA

In the 2 years prior to August 1943, 200 10,000-ton cargo ships were launched in Canada, a Canadian trade journal states. The fleet of freighters built in Canadian yards was equal to 10 percent of Great Britain's merchant tonnage at the beginning of the war, according to the report.

PROGRAM IN NEW ZEALAND

The cost of New Zealand's shipbuilding program for 1943 has been estimated by the Minister of Defense at £NZ2,000,000.

The 1,400-ton oil tanker, *Hinuwaka*, launched on September 14, is the largest vessel ever built in Wellington. The tanker, which is to be used to refuel war and merchant Diesel and oil-burning ships, has a length of 180 feet and a beam of 36 feet.

DELIVERIES IN SWEDEN

The recent delivery to the Eriksberg Shipyard in Sweden of two combined cargo and passenger motor liners, the *Brasil* and the *Amazonas*, 7,430 and 7,650 tons deadweight, respectively, is reported in the foreign press.

Delivery of the combined ore and oil carrier, *Ferroland*, to the Farm Steamship Co. is also reported. This vessel is 465 feet long.

Textiles and Related Products

SITUATION IN FINLAND

Finland's imports of wool and woolen goods in May were valued at 40,900,000 marks, compared with 24,500,000 marks in April. Cotton and cotton goods were valued at 39,600,000 marks compared with 28,500,000 marks in the preceding month.

Clothing has been scarce for some time, particularly among the lower-income workers who had few spare clothes on which to draw when their ordinary work clothes were no longer wearable. Substitute materials have appeared on the

market, but their wearing quality is low, and because of their high cost they represent a heavy drain on the family budget.

From the middle of 1942 to the fall of 1943, woolen mills will probably have achieved an output of 2,000,000 meters of cloth, 1,000,000 meters of which had already been delivered by early September. This cloth was intended primarily for work clothes and garments for school children.

SITUATION IN U. K.

Wholesale textile distributors of the United Kingdom have initiated steps for the equitable disposal of surplus stocks of textiles and clothing which probably will be released by the Government immediately after cessation of hostilities, if not before.

Under Board of Trade approval, the Surplus Textiles Corporation was formed in September, with headquarters in London. Under Government direction this company will purchase and control the sale and distribution of all surplus textiles. Membership is open to firms which have engaged in wholesale textile trade since August 31, 1939, and which handled business of at least £25,000 in the last financial year before that date. All members are to receive a fair share of the business, and goods are to be distributed as widely as possible among retailers, through the ordinary channels of trade.

Cotton and Products

BELGIAN CONGO MILLS ACTIVE

Textile mills in Leopoldville, Belgian Congo, have been very busy making millions of meters of cloth for the armed forces as well as the native population, reports the Governor General of the colony. Large quantities of bandages and cotton batting are also produced.

INDIAN COTTON SITUATION

India's cotton area for 1943-44 covers 14,701,000 acres, according to the second forecast made. This represents an 8-percent decrease from the second forecast of the preceding season. Short-staple cotton was reduced almost 15 percent, indicating a large transfer to

long-staple varieties, as has been the trend for several years.

Consumption of Indian cotton from September 1, 1942, to July 31, 1943, aggregated 3,900,808 bales, compared with 3,724,384 bales in the corresponding period of 1941-42.

Official published reports indicate that 68,620 bales of raw cotton were exported from the principal ports of India from September 1 to October 2, 1943, against only 3,926 bales in the corresponding period last year. Cotton arrivals at principal Indian ports in the first month of the current season (which began on September 1) were 53,815 bales, in comparison with 90,138 bales in the corresponding period of 1942.

Cotton-yarn prices remained stable, at or near ceiling rates fixed in August. Turn-over improved and export inquiries were more numerous. Toward the end of the month, markets became dull and weak, as dealers apparently had accumulated stocks and were not interested in additional purchases.

Good trading was done in the wholesale piece-goods market, with prices above ceiling until the last week in September when the Textile Commissioner announced that the Government would strictly enforce ceiling prices. Export demand was excellent.

The Textile Commissioner reported that ceiling prices set on 12 varieties of cotton cloth and yarn on August 31, 1943, would be extended on December 1 to include all types of cloth and yarn produced in Indian mills—more than 3,000 items. This was expected to lower retail prices about 30 percent. Ceiling prices are to be scrutinized and adjusted every 3 months.

Because of the unusually heavy stocks of yarn and cloth which had been manufactured before August 1, the deadline for their disposition was extended from October 31 to December 31. These yarn stocks were estimated in trade circles at 215,000,000 pounds, and cloth at 2,700,000,000 yards.

Orders for 493,000,000 yards of standard cloth were placed with mills for the August-to-October period, according to an announcement of the Textile Control Board. Most of this was being sent to provincial governments and Indian States. An allotment of 53,000,000 yards of standard cloth was made for Bombay Province, from August 1943 to January 1944. Retail sales are made through "Fair-Price Shops" and specially authorized retailers. Present plans are to limit each individual to 15 yards a year.

ECUADOR'S COTTON-CROP PROSPECTS UNFAVORABLE

Unfavorable weather has reduced Ecuador's current cotton crop.

This will cause a larger demand for imported cotton, to supply the expanded textile industry.

KENYA'S CROP REDUCED BY UNFAVORABLE WEATHER

Unfavorable weather has reduced Kenya's 1942-43 cotton crop to approximately 6,000 bales, reports an African publication. The 1941-42 crop was reported as 12,269 bales.

Chile's Model Seed Farm

A model seed farm near Santiago, Chile, owned and operated by a French refugee, is producing varieties of garden seed which are favored in western Europe, especially in France and the Low Countries. About 37,200 kilograms (kilogram = 2.2046 pounds) of several different varieties of beans, 4,000 kilograms of onion seed and 1,000 kilograms of carrot seed are reportedly available at present.

The owner, it is said, hopes to be able to produce in Chile substantial quantities of European varieties of garden seed for shipment to Europe for use during the post-war period of agricultural rehabilitation.

COTTON ACREAGE, NICARAGUA

As of October 7, cotton sowing in Nicaragua was authorized for 3,273 acres.

Growing conditions are excellent and, unless adverse conditions develop, an average yield of 325 pounds per acre is anticipated.

Guatemala is expected to purchase most of the crop.

Silk and Products**SERICULTURE, BELGIAN CONGO**

The silkworm-gut industry was begun by natives in the Belgian Congo, under Government supervision, just prior to the war. About 80,000 strands were produced in 1940.

This year the breeding station expects to produce 15 tons of fresh cocoons, 2,000,000 silkworm guts for sutures, and 200,000 guts for fishing leaders, according to a recent statement of the Governor-General of the Colony. An even larger output is anticipated in the next few years.

DEVELOPMENTS IN CYPRUS

A silk reeling plant recently has been added to the expanding silk industry of Cyprus, reports a British periodical. Part of the cocoon output will be handled at this plant, although the greater portion is reeled in Syria and the Lebanon.

The government has guaranteed to buy 10,000 ounces of silkworm eggs this year, and the entire cocoon crop is to be purchased by the Ministry of Supply.

Synthetic Fibers and Products**RAYON-YARN PRODUCTION, U. K.**

Rayon yarns produced in the United Kingdom during September were primarily for the use of the Government and for utility goods. Increasing quantities of tire yarns and insulating yarns were requested by the Government.

Trading centered around utility fabrics, no provision having been made for nonutility materials for domestic use.

Unhampered by immediate competition from continental Europe, the British rayon industry anticipates vast post-war expansion.

Wool and Products**CHILE'S PROSPECTIVE WOOL CLIP**

Although lack of rainfall has caused a scarcity of water in Chile's sheep-growing region, the 1944 wool clip is expected to about equal those of the past 2 years, in quantity. Present indications are that it will also be cleaner.

SWISS WOOL STOCKS LOW

As soon as shipping permits, Switzerland can draw upon large quantities of wool which have been purchased and stored abroad. These are said to be sufficient for a normal year's supply.

In the meantime, however, stocks are dwindling so alarmingly that all available reserves must be stretched to the utmost by utilizing reworked wool and staple fiber.

In 1942, manufacturers were busy on Army contracts, but production in 1943 is on a smaller scale.

This man is your FRIEND

Effective July 1, 1943, the difference between purchasing and selling prices for wool products was limited by governmental decree.

Miscellaneous Fibers**FLAX CULTIVATION IN CHILE**

Cultivation of fiber flax is expanding in Chile. Introduced in 1903, it developed slowly, and in 1938-39 comprised about 1,975 acres. By the 1940-41 crop year, more than 3,700 acres were devoted to flax in Valdivia and Llanquihue Provinces. In the 1943-44 season, about 125 acres were planted in Cautin Province.

The linen industry at La Union is also growing.

EIRE'S FLAX ACREAGE

Eire's 1943 flax acreage has been estimated at 27,500 acres, or 8,900 acres above the 1942 planting of 18,600 acres.

LINEN-FLAX ACREAGE REDUCED IN NEW ZEALAND

Linen-flax acreage in New Zealand for 1943-44 has been greatly reduced because of insufficient processing machinery, according to official reports. Previously it had expanded from 15,000 acres in 1941-42 to about 22,000 acres in 1942-43.

TANGANYIKA'S SISAL INDUSTRY

Tanganyika's sisal industry is operating at capacity, limited only by labor supply, reports an African periodical.

The entire kapok crop is to be purchased by the British Ministry of Supply, if quality specifications are fulfilled.

Wearing Apparel**STRAW-HAT EXPORTS FROM ECUADOR**

Straw hats exported from Ecuador in September, according to unofficial estimates, amounted to 11,273 kilograms, compared with 15,165 kilograms in the corresponding month of 1942. This

gives an estimated total for the first three quarters of 1943 of 15,643 kilograms, against 18,113 kilograms in the corresponding period of the preceding year.

Tobacco and Related Products**BRITISH GUIANA'S IMPORTS**

Total imports of unmanufactured tobacco into British Guiana during 1942 came to 614,760 pounds, states a British publication.

NICARAGUAN IMPORTS FROM MEXICO

The value of imports of Mexican leaf tobacco into Nicaragua during the first 9 months of 1943 was estimated at \$12,000 more than four times the amount at which tobacco imports from Mexico were valued during the entire year of 1942.

SPANISH TOBACCO CROP

This year's tobacco crop in Alava Province, Spain, totaled 14,185 kilograms, a 40-percent increase over last year's crop of 9,948 kilograms. Average price of the 1943 crop was 8.36 pesetas a kilogram.

TURKISH CIGARETTE OUTPUT

Output of cigarettes in Turkey, which amounted to approximately 17,000,000 kilograms last year, will reach 19,000,000 kilograms during 1943, according to a recent statement by the Minister of Customs and Monopolies. Efforts are being made, it is said, to increase output of Turkish cigarette factories sufficiently to provide for an export market.

Toiletries and Essential Oils**BRITISH GUIANA'S TOILETRY IMPORTS**

Shipments of toilet requisites, other than soap and spirits, to British Guiana from the United States were almost 14 times as great in 1942 as in 1941. Value of those commodities shipped in 1942 was \$73,986 (1 British Guiana dollar = \$0.834 U. S. currency), compared with \$5,293 during the preceding year, according to figures published in a foreign journal.

ESSENTIAL OIL PRODUCTION, GUATEMALA

Essential-oil production in Guatemala has shown a measurable increase in the first 9 months of 1943 over that of the comparable period of the preceding year. The quantity of citronella, eucalyptus, and lemongrass oils exported was about one-third greater, and the value of those three products was more than 70 percent larger, from January to September 1943 than for the first three quarters of 1942. Guatemala shipped 102,683 pounds of citronella oil, 139,986 pounds of lemongrass oil, and 2,384 pounds of eucalyptus oil valued at a total of \$405,896, during the first 9 months of 1943 compared with a combined total of 183,195 pounds valued at \$236,616 for the corresponding months of 1942.

Latin American Exchange Rates

NOTE.—Averages are based on actual selling rates for sight drafts on New York, in units of foreign currency, per dollar with the following exception: Cuba—United States dollars to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to the dollar.

Country	Unit quoted*	Type of exchange	Average rate			Latest available quotation		
			1941 (Annual)	1942 (Annual)	Oct. 1943 (Monthly)	Rate	Approximate equivalent in U. S. currency	Date, 1943
Argentina	Paper peso	Official A.	3.73	3.73	3.73	3.73	\$0.2681	Nov. 13
		Official B.	4.23	4.23	4.23	4.23	.2364	Do.
		Bid.	4.88	4.94	4.94	4.94	.2024	Do.
Bolivia	Boliviano	Free market	4.24		4.00	4.00	.2500	Do.
		Controlled	43.38	48.46	42.42	42.42	.0236	Nov. 22
		Curb	54.02	49.66	44.50	44.50	.0225	Do.
Brazil	Cruzeiro	Official	16.50	16.50	16.50	16.50	.0808	Nov. 18
		Free market	19.72	19.64	19.63	19.63	.0509	Do.
		Special free market	20.68	20.52	20.30	20.30	.0498	Do.
Chile	Peso	Official	19.37	19.37	19.37	19.37	.0516	Nov. 20
		Export draft	25.00	25.00	25.00	25.00	.0400	Do.
		Curb market	31.78	31.75	31.64	32.50	.0308	Do.
		Free	31.15	31.13	31.00	31.00	.0323	Do.
		Gold exchange	31.15	31.13	31.00	31.00	.0323	Do.
		Mining dollar	31.35	31.13	31.00	31.00	.0323	Do.
		Agricultural dollar	31.15	31.13	31.00	31.00	.0323	Do.
		Controlled	1.75	1.75	1.75	1.75	.5714	Nov. 27
Colombia	do.	Bank of Republic	1.76	1.76	1.76	1.76	.5682	Do.
		Stabilization Fund	(3)	(3)	(3)	(3)	(3)	Do.
		Curb	1.86	1.77	1.75	1.75	.5714	Do.
Costa Rica	Colon	Uncontrolled	5.85	5.71	5.65	5.65	.1770	Oct. 30
		Controlled	5.62	5.62	5.62	5.62	.1779	Do.
		Curb	.98	1.00	1.00	1.00	1.00	Nov. 6
Cuba	Peso	Central Bank (official)	15.00	14.39	14.10	14.10	.0709	Nov. 17
Ecuador	Sucre	Official	2.04	2.04	2.04	2.04	.4902	Do.
Honduras	Lempira	Free	4.86	4.85	4.85	4.85	.2062	Nov. 15
Mexico	Peso	Official	5.00	5.00	5.00	5.00	.2000	Nov. 13
Nicaragua	Cordoba	Curb	5.93		5.24	5.30	.1887	Do.
Paraguay	Paper peso	Official		333.00	333.00	333.00	.0030	Oct. 30
Peru	Sol	Free	6.50	6.50	6.50	6.50	.1538	Nov. 27
Salvador	Colon	do.	2.50	2.50	2.50	2.50	.4000	Do.
Uruguay	Peso	Controlled	1.90	1.90	1.90	1.90	.5263	Do.
Venezuela	Bolivar	Free	2.31	1.90	1.90	1.90	.5263	Do.
		Controlled	3.26	3.35	3.35	3.35	.2985	Nov. 15
		Free	3.76	3.45	3.35	3.35	.2985	Do.

* Under law of October 6, 1942, the cruzeiro became the unit of currency, replacing the milreis. Since November 1, 1942, exchange quotations have been in terms of cruzeiros and centavos to the dollar.

† Established March 25.

‡ For class 2 merchandise 1.795; class 3, 1.87; class 4, 1.195.

§ For class 2 merchandise, 1.765; class 3, 1.775; class 4, 1.785.

|| July 24-December 31.

NOTE.—Special rates apply to automotive equipment and agricultural machinery imported from the United States into Argentina.

Canadian Hinterland of the Alaska Highway

(Continued from p. 7)

which farming might lean in its early stages. Thus subsistence farming might spread gradually with the increase in the population and eventually become an economic proposition. So far as is known, no plans for agricultural colonization have yet been made.

Forest Industry Local

The high cost of importing lumber to supply the needs of the mining industry has made it necessary to establish small sawmills in scattered sections of the Northwest Territories and to secure lumber from the forests of the area. The industry is purely local in nature and does not hold much promise for a future development directed toward an export trade. Such forests as are present "vary

in nature from scattered clumps of stunted conifers and birches near the northern limits of tree growths to fairly heavy stands of poplar and spruce in the vicinity of the larger rivers." The poplar trees are especially valued as a source of fuelwood, the most important forest product of the Northwest Territories.

The principal economic value of the forests probably consists in the habitat they provide for fur-bearing animals, and the wood they furnish for fuel and buildings for the scattered inhabitants of the region. The extensive wooded areas which blanket the western mountain slopes of British Columbia and the panhandle of Alaska disappear inland in the Yukon where the climate is dry and cold. As a result, much the same marginal forest conditions as in the Northwest Territory exist in the Yukon Territory.

Realistic Approach Needed

In the last analysis, of course, the future of the region will depend on people who still have the pioneer's courage to

travel long distances, settle in strange lands, and endure disheartening hardships. Certainly a new era of possibilities is looming with the development of an air age which bids fair to change the age-old routes of travel and give the north an importance it has never heretofore enjoyed. At the same time, however, the cause of progress will not be served by an optimism which minimizes the difficulties. Prospective settlers cannot hope to reap a bonanza from settlements in the northlands merely because a narrow ribbon of road has made its resources somewhat more accessible. They must first be willing to face the rigors of a pioneer's life. And these settlers will have to be backed up by business willing to spend money in developing this distant frontier.

Post-War World Communications

(Continued from p. 10)

cal means of establishing and operating a world communications system.

At the outset I cannot over-stress the importance of removing the Axis countries' controls and influences over communications facilities outside of their own boundaries. The United States should have no less control than any other country over the cables connecting America and the mainland of Europe via the Azores. The South American facilities must be free to carry on communications with the world, and Axis controls and influences must be eliminated.

It is essential that control over local properties should be restored to local governments and their own citizens; it hardly behooves the democracies to move in imperialistically where the local governments or interests can do an effective job. Our consistent aim must be the unfettered flow of communications. And we ourselves should own local foreign properties only where and to the extent necessary to accomplish this guiding purpose.

Basic Principles

It seems to me that before any worthwhile world communications system can be projected, at least five basic principles must be accepted by all the nations at the peace conference.

The first of these principles is a uniform rate for all messages throughout the world in all directions. There should be a universal policy of nondiscrimination.

The second principle reinforces the first in that these rates must be low rates. I am not prepared to say at this time how low this rate should be, nor do I think this is the proper time to make such a determination, but I do think that our objective ought to be a rate of a few cents per word to any gateway in the world.

I can hear the skeptics challenge the feasibility of obtaining either of these objectives. They will ask how it is eco-

nomically feasible for countries to operate communication systems at the same rate throughout the world and at cheap rates. The whole history of rate making in communications establishes the principle of increase in flow with decrease in cost. The British themselves have a uniform rate to any point within their far-flung Empire, which is a good deal cheaper than the rates charged by any carriers between the United States and similar points.

Our forward-looking postal administration has made the whole world a single postal district, and letters flow throughout the world for a few cents. Yet their cost of operation bears a more direct relation to distance than is the case in radiotelegraph, where cost does not vary with distance.

Technical Vistas

The *third principle* to be used as a guide is instantaneous radio communications between all important areas on the globe. The future rests largely upon radio. The strain on the principle may be the shortage of frequencies. But radio is just coming of age, and its engineers already envisage some important technical advances.

For example, some engineers think that an electronic conveyor belt in the equatorial zone would have many advantages in overcoming certain undesirable natural phenomena which are disturbing in other latitudes and along other transmission paths. Main transmitting stations might be located in Puerto Rico, West Africa, Egypt, India, China, Guam, Hawaii, and Mexico. All important world points would key into this belt for the instantaneous transmission and reception of intelligence, and full international use could be made of frequencies which are now useful only for short-range communication during particular hours of the day or seasons of the year.

Thus a message from New York to Sydney would be put on the belt at Puerto Rico, automatically relayed via Mexico, Hawaii, and Guam, where it moves off the belt and down to Sydney. In this entire system relatively few frequencies would do the work of many.

Of course, continuing international cooperation as well as extensive engineering research is essential as a basis for this or any comparable engineering plan.

However, more immediate benefits can be derived from recent technical developments which permit as many as 12 radio telegraph circuits to operate in a channel which heretofore would accommodate only one circuit. There are also possibilities with respect to a single side band transmission which cuts channel requirements in half. While this may sound very technical, the fact remains that full advantage of these technical developments cannot be realized without international cooperation.

Optimum Use Is Aim

The *fourth principle* is the establishment of uniform and low press rates

Trade Mark Applications

Argentina.—The following applications for trade-mark registration were published in the Boletín Oficial of November 16, 1943. Opposition must be filed before December 20, 1943:

Trade-mark	Class Number and Commodity
Penetrose.....	No. 3—Entire class.
Farco.....	No. 10—Entire class.
El Geiser.....	No. 14—Entire class.
Eterna.....	No. 14—Entire class.
Cleveland.....	No. 10—Entire class.
Radior.....	No. 14—Entire class.
Chalange.....	No. 9—Entire class.
Robin Hood.....	No. 9—Entire class.
Neosol.....	No. 14—Entire class.
Nico.....	No. 4—Entire class.

Uruguay.—The following applications for trade-mark registration were published in the Diario Oficial of Montevideo, on the dates noted. Opposition must be

filed within 30 days from the date of publication:

Trade-mark	Product	Date of publication
Vanbo.....	Classes 1, 2, 4, 9, and 14.	1943 No v. 22 to 27
J & L.....	Hardware and bazar.	Do.
Avion.....	Soap, candles, and matches.	Do.
Atrixyl-Bi.....	Drugstore and chemical products.	Do.
Galactasi.....	do.	Do.
Bactoral.....	do.	Do.
Indestro.....	Hardware and bazar.	Do.
Jacobs.....	do.	Do.
Lametal.....	Hardware and bazar and building material.	Do.
Motur.....	do.	Do.
Topovac-Ovol.....	Drugstore and chemical products.	Do.
Politon.....	do.	Do.

throughout the world. To a great extent, as I have already indicated, this has been done by the British Empire. I think it is vitally important to our future post-war world that the same system be extended. It is idle to talk about a free press in terms of a well-informed world community where physical facilities are inadequate, or where they are throttled and controlled to serve selfish ends, or where the cost of service discourages less than the optimum usage.

Finally, we must have free ingress and egress of information, and freedom for all peoples of the world to communicate with each other. Facilities should be equally available to citizens of all nations without any form of preference between them.

Don't Miss Opportunities!

At this juncture our concern must go beyond radio telegraph and telephone. International radio broadcasting and, when possible, international television must complete this world communication picture. I have not developed this phase of the problem here simply because it is a separate subject. When these operations can be set up, all countries should be encouraged to establish comparable and reciprocal arrangements and facilities in this field. This greatest of all mechanisms for mass communication should serve as a mighty force in bringing about mutual acquaintance, respect, and sympathetic understanding among peoples.

In the field of broadcasting, as in all forms of public communication, each

country should adopt certain policies which, without fettering the free interchange of news, information, and educational material, would guard against intrusion into purely domestic affairs and attacks upon nations, races, or creeds. Restraints, of course, should be applied sparingly; and we should rest assured that these restraints are amongst those which can properly be termed "those wise restraints which make men free."

This Nation, and with it the world, missed an opportunity at Versailles in 1919. Shall we miss it again at the next peace conference?

Future Forest Vistas in American Republics

(Continued from p. 11)

trees found in Esmeraldas Province alone, which is only a small part of Ecuador. He points out that his list is by no means complete, as it covers not more than 25 percent of the trees found there. He has listed these woods according to their hardness, their durability, and their availability for cabinet work.

Recent reports from Mexico reveal that new and vast resources of lumber have been located there, including valuable stands of ash, pine, and white oak. The ash, which is of excellent quality, is found in the higher altitudes of the Guadalupe region and on the Pacific slopes in Jalisco and Michoacan.

Amazon and Orinoco

The Amazon Valley, occupying the heart of the South American continent and embracing most of Brazil plus large forest areas of Colombia, Peru, Ecuador,

Business Is the
Greatest Single Force
for Social Good

Announcements Under the Reciprocal Trade Agreements Act

Trade Agreement Calendar

Trade Agreements Signed

Country	Date signed	Date effective
Cuba	Aug. 24, 1934	Sept. 3, 1934
Belgium (and Luxembourg)	Feb. 27, 1935	May 1, 1935
Haiti	Mar. 28, 1935	June 3, 1935
Sweden	May 25, 1935	Aug. 5, 1935
Brazil	Feb. 2, 1935	Jan. 1, 1936
Canada (see revised agreement below)	Nov. 15, 1935	Do.
Kingdom of the Netherlands (Netherlands in Europe, Netherlands India, Surinam, and Curaçao)	Dec. 20, 1935	Feb. 1, 1936
Switzerland	Jan. 9, 1936	Feb. 15, 1936
Honduras	Dec. 18, 1935	Mar. 2, 1936
Colombia	Sept. 13, 1935	May 20, 1936
Guatemala	Apr. 24, 1936	June 15, 1936
France and its colonies, dependencies, and protectorates other than Morocco	May 6, 1936	Do.
Nicaragua	Mar. 11, 1936	Oct. 1, 1936
Finland	May 18, 1936	Nov. 2, 1936
El Salvador	Feb. 19, 1937	May 31, 1937
Costa Rica	Nov. 28, 1936	Aug. 2, 1937
Czechoslovakia	Mar. 7, 1938	Apr. 16, 1938
Ecuador	Aug. 6, 1938	Oct. 23, 1938
United Kingdom, including Newfoundland and the British Colonial Empire	Nov. 17, 1938	Jan. 1, 1939
Canada (revision of agreement of 1935)	do.	Do.
Turkey	Apr. 1, 1939	May 5, 1939
Venezuela	Nov. 6, 1939	Dec. 16, 1939
Cuba (supplementary agreement)	Dec. 18, 1939	Dec. 23, 1939
Canada (supplementary agreement)	Dec. 30, 1939	Jan. 1, 1940
Canada (supplementary agreement)	Dec. 13, 1940	Dec. 20, 1940
Argentina	Oct. 14, 1941	Nov. 15, 1941
Cuba (supplementary agreement)	Dec. 23, 1941	Jan. 5, 1942
Peru	May 7, 1942	July 29, 1942
Uruguay	July 21, 1942	Jan. 1, 1943
Mexico	Dec. 23, 1942	Jan. 30, 1943
Iran	Apr. 8, 1943	(*)
Iceland	Aug. 27, 1943	Nov. 19, 1943

* The duty concessions and certain other provisions of this agreement ceased to be in force as of Mar. 10, 1938.

† The operation of this agreement was suspended as of Apr. 22, 1939.

‡ Superseded by supplementary agreement signed Dec. 13, 1940.

§ Thirty days after exchange of proclamation (by the President of the United States) and ratification (by the National Assembly of Iran).

Summaries of the provisions of each individual agreement are published in FOREIGN COMMERCE WEEKLY promptly after signing. Complete files of the official

analysis of each of the agreements, as well as the summaries published by this Department, are available for examination at all field offices of the Department of Commerce. Copies of such analyses or summaries for any particular agreement, figures for the United States trade with "Agreement Countries," and general information regarding the aims, procedure, and operation of the Reciprocal Trade Agreements Program may be obtained from the Trade Agreements Unit of the Bureau of Foreign and Domestic Commerce at Washington.

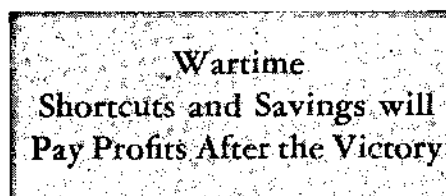
[A compilation of all changes in the import duties of the United States since the passage of the Tariff Act of 1930, including all duty reductions or bindings by the United States under the trade agreements signed to date, arranged by schedules and paragraphs of the Tariff Act has been prepared by the U. S. Tariff Commission in the form of a pamphlet. This is obtainable from the Superintendent of Documents, Washington, D. C., for 25 cents per copy.]

Countries With Which Intention To Negotiate Has Been Announced

Country	Date of issuance of notice	Latest date for submitting written statements	Date for oral presentation of views
Bolivia	Apr. 4, 1942	May 4, 1942	May 18, 1942
Paraguay	June 23, 1943	July 23, 1943	Aug. 4, 1943
Cuba	Oct. 19, 1943	Nov. 17, 1943	Nov. 24, 1943

[Detailed information, trade figures, and copies of the lists of products to which the United States announced it would give consideration for concessions, at the time of giving formal notice of intention to negotiate with each of the above countries, are available upon request to the Trade Agreements Unit, Bureau of Foreign and Domestic Commerce, or any of the field offices of the Department of Commerce, as well as from the Committee for Reciprocity Information or the Department of State.]

NOTE.—The above Trade Agreements Calendar will appear, for the present, in the issue nearest the middle of the month of FOREIGN COMMERCE WEEKLY, instead of each week as formerly.



and Bolivia, is said to contain the world's greatest reserves of forest wealth. (For a more detailed study of the Brazilian situation, the reader is referred to "Commercial Possibilities in Brazil's Forest Wealth," FOREIGN COMMERCE WEEKLY, April 3, 1943.)

Add to this the contiguous forests of the Orinoco Valley in Venezuela, the forests of the Guianas, of Paraguay and northern Argentina, and one sees a forest area of more than a billion acres—much larger than the forests of the United States and exceeded only by those of the Soviet Union.

Difficulties and Needs

All of these tropical forests have one thing in common, that of a mixed growth

with a great variety of trees per acre. The restrictions of demand to only selected species has required small-scale, hand lumbering operations which are expensive and uneconomical. Lack of transportation facilities also makes large forest areas inaccessible. Peru, for example, would not be so dependent upon other countries for its wood requirements if it had better accessibility to its forests.

Up to now, logging operations have touched only the fringe of the great South American forests and woods, in consequence of the lack of transportation, machinery, and an adequate market. This condition (it is convincingly maintained) is likely to change in the post-war period.

First of all, much more will be known

about the different kinds of trees and the uses to which their timber can be put, and large-scale operations with tractors, machinery, and technical aids will overcome natural obstacles, while extensive marketing operations will make it possible to dispose of new varieties of wood now not generally known commercially.

Some indication of how future enterprises may operate is found in the very modern milling and lumbering operations of the Astoria Lumber Co., now marketing mahogany and cedar from the region around Iquitos, Peru. This is one of the largest foreign-owned lumber mills in South America, with a capacity of 20,000 board feet a day. This company is now replanting mahogany saplings on areas that have been cut over.

East-Coast Republics

Brazil's rosewood, sometimes called jacarandá, is a beautiful cabinet wood which has been exported to Europe for many years. It is said to be one of the most valuable of all timbers and is shipped, as a rule, through the port of Victoria. Brazil grows the eucalyptus as a tree crop, as do many other republics, and uses it for railroad ties, posts, telephone poles, and for firewood. Germany used to buy from Brazil an oak-like timber for crossties.

Paraguay's forest wealth consists largely of quebracho, a hard, tough, durable wood—as its name, meaning "ax-breaker," would indicate. Quebracho extract is rich in tannin and, as is well known, is important in the tanning industries. Quebracho makes excellent crossties, fence posts, and bridge timbers. Much quebracho and other timber is rafted down the Parana River to the sawmills of Argentina.

Argentina has large quebracho as well as other hardwood forests in the north. Quebracho extract is exported, but lumber and crossties are imported from the neighboring republics. Other important hardwoods are the algarroba and urunday.

What of Chile and Peru?

The forests of Chile are largely concentrated in the southern Provinces. Here heavy virgin growths of beech and Araucaria pine are lumbered and used for plywood. One plywood plant, near Temuco, is now working 24 hours a day and turning out 12,000 cubic meters of plywood a year.

The Araucaria pine, together with the Alerce, or larch, was formerly shipped to Germany for airplanes.

Only within the last few years has Peru been able to benefit from the vast timber reserves of the "montaña" region, those limitless forests which cover the eastern face of the Andes and spread far down into the Amazon Valley, covering about two-thirds of the total area of the Republic.

Three sawmills have been built at Tingo Maria, from which point the lumber is trucked 350 miles over the Andes to Lima and to the cities of the Central Valley. Present production of this area

is perhaps 800,000 board feet a month. While over 200 kinds of usable trees are available, not more than 25 varieties are now being used for lumber. These include moena, cedro, palo colorado, palo marillo, chamiza, cedro tingo, hispi, pul-paj and tornillo. The hardwoods predominate.

Colombia Is Active

Colombia, which formerly imported lumber, had its foreign supplies cut off by war, and today the domestic lumber industry, with 62 large sawmills, planing mills, and impregnating plants, is working double shifts. The domestic lumber producers, a local paper recently said, are "being flooded with orders from the neighboring republics, with extraordinary urgency and in great quantities." Colombia also has 390 smaller woodworking plants turning out plywood, veneer, staves, boxes, cabinet work, furniture, doors, windows, and other commodities.

Colombia has a fine cabinet wood called abarco, which can be substituted for mahogany—while the cautivo and the celba amarilla, two softwoods, are used in large volume for barrels for vegetable oils and for butter tubs.

Greenheart, a form of laurel, has long been exported to Europe from the Guianas. It is stronger than teak and is excellent for piles, docks, lock gates, and ships.

British Honduras has exported logwood for dyeing purposes since the days of the buccaneers who were themselves frequently part-time logwood cutters. Mahogany, cedar, and rosewood are still exported from British Honduras as well as from the neighboring states of Central America.

While one-half of Venezuela is covered with forests, no timber is exported, largely because of the distance of the forests from the markets and the poor transportation facilities.

Three Challenging "Lacks"

The best-known species imported by the United States from the southern republics within the past few years are principally mahogany, balsa, lignum vitae, and tropical cedar. Numerous hardwoods of many varieties are also imported and are well liked for their exotic character and furniture-making qualities.

The three great difficulties that must be overcome before the great variety of construction and cabinet woods now found in the American Tropics meet with general acceptance in the markets of North America and of Europe are these:

Lack of accurate, dependable nomenclature for these woods.

Lack of accurate knowledge of their technical qualities and uses.

Lack of dependable supply of these timbers at all times in quantities sufficient to fill volume orders.

Now that government and business leaders of the American republics are cooperating in the planned development of the resources of the Western Hemisphere, it should not be difficult, one feels, to overcome these handicaps.

News by COUNTRIES

(Continued from p. 17)

tribution of industries throughout the Union.

In an address dealing with problems which may confront South African industry in the post-war epoch, the Minister of Finance emphasized the importance of better training of workers as the key to a more rational use of the Union's potential industrial facilities. He also spoke of the need of improving the efficiency and increasing the consumption of the native worker.

GOLD AND DIAMOND MINING ACTIVITY

Gold production in September, totaling 1,054,980 ounces valued at £8,503,605, represented a decline by 4,952 ounces and £101,418 from the August figures. Announcement has been made of the flotation of the Western Ultra Deep Levels Gold Mining Co., a new development on the Rand for working the gold reefs at depths below those hitherto considered possible. At present, the deepest mining is about 9,000 feet.

Recently, the De Beers Consolidated Mines reopened the Dutoitspan diamond mine which had been out of production for 5 years. It is expected that a labor force of 200 Europeans and 1,000 natives will be employed.

Union Government revenue increased from £37,475,323 for the period from April 1 to September 30, 1942, to £43,051,648 for the corresponding period of 1943, and the monthly revenue for September increased from £4,383,680 in 1942 to £6,476,307 in 1943.

Deposits held by Commercial Banks in the Union rose during this same month from £218,100,000 to £222,555,000, and advances increased from £36,900,000 to £37,862,000.

The cost of living in South Africa has risen to a new high. In September in the nine principal urban centers it was 25.9 percent above the 1939 level, a rise of 0.6 percent over the August figure.

The long-expected "curfew" on public vehicles came into effect at the end of

October. Under the new order, the last public transport leaves the center of a city at 10 o'clock p. m. on weekdays and at 9 o'clock p. m. on Sundays and holidays.

Transport Problem in Port Elizabeth.—Port Elizabeth, Union of South Africa, is faced with a transport problem inasmuch as it is difficult to obtain spare parts for busses as well as essential streetcar equipment, states an October report.

The bus mileage is now 180,000 monthly, compared with 127,000 per month in 1938. Passengers carried average 1,500,000 monthly, compared with 617,000 in 1938.

United Kingdom

Transport and Communication

Air Traffic.—British Overseas Airways carried approximately 45,700 passengers during the first 9 months of 1943, compared with 35,900 in the corresponding period of 1942, and 9,250,000 miles were flown, an increase of 31 percent, states the British press. Freight totaled approximately 2,720 tons and mail 840 tons.

Uruguay

Wartime Commodity Controls

Imported Potatoes: Maximum Sale Prices Established.—Maximum prices in Montevideo for 1,320 tons of potatoes imported by the Bank of the Republic from Argentina for consumption in Uruguay were established at 13 pesos per 100 kilograms for government sales; 13.60 pesos per 100 kilograms delivered from dealers to retailers; and 15 centesimos per kilogram for retail sales to consumers, by a decree of November 5, 1943, published in the Diario Oficial of November 10. Prices outside the Department of Montevideo will be based on the above prices plus the cost of transportation.

[For previous announcements of established prices for potatoes, see FOREIGN COMMERCE WEEKLY of June 19 and October 9, 1943.]

Dublin's Victory Gardens

About £100,000 worth of vegetables were grown by holders of plots in Dublin, Eire, in 1943. Almost 1,000 acres are being cultivated by between 9,000 and 10,000 allotment holders. The plots are rented from the municipality which supplies seeds and cultivating implements. The vegetables grown included potatoes, cabbage, peas, beans, cucumbers, brussels sprouts, and carrots.

The Leeward and Windward Islands (in the British West Indies), at the request of authorities of the U. S. S. R., have given to the Soviet Union samples of St. Vincent and Montserrat varieties of cottonseed, for purposes of experimentation to be conducted by Russian agricultural scientists.



New Books and Reports

★ The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. Please note: The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Current Interest Appearing in the Department of State Bulletin December 4, 1943

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., for the price of 10 cents each; subscription price \$2.75 a year. The December 4 issue contains these articles:

CONFERENCE OF PRESIDENT ROOSEVELT, GENERALISSIMO CHIANG KAI-SHEK, AND PRIME MINISTER CHURCHILL IN NORTH AFRICA.

APPOINTMENT OF UNITED STATES REPRESENTATIVE ON THE EUROPEAN ADVISORY COMMISSION.

CENTENNIAL CELEBRATION OF THE INDEPENDENCE OF THE DOMINICAN REPUBLIC.

INTERNATIONAL LANGUAGES FOR ONE WORLD: ADDRESS BY HALDOR HANSON.

AGREEMENT WITH MEXICO RELATING TO PLANTATION-RUBBER INVESTIGATION.

PUBLICATION OF "FOREIGN RELATIONS OF THE UNITED STATES, JAPAN: 1931-1941," VOLUME II.

Other Publications

STATISTICAL ABSTRACT OF THE UNITED STATES, 1942. U. S. Department of Commerce, Bureau of the Census. 1943. 64th number. 1,123 pp. Price, \$1.75. Annual compilation of authoritative statistics relating to the social and economic condition of the population and to the industrial, commercial (both foreign and domestic), and governmental activities of the Nation. A convenient reference work for businessmen, legislators, administrators, economists, statisticians, students, and others who may have need of a statistical compendium covering a wide range of subjects.

Available from: Superintendent of Documents, Washington 25, D. C.

THE FRENCH RIGHT AND NAZI GERMANY (1933-1939). Charles A. Micaud. 1943. 266 pp. Price, \$3.50. Follows the evolution of the French "Right's" foreign policy in the years 1933-39 as it changed from one of vigilance and hostile attitude toward Germany to that of appeasement and capitulation to Hitler's demands.

Available from: Duke University Press, Durham, N. C.

RESEARCH AND POST-WAR PLANNING. United Nations Information Office. 1943. Separate volumes consisting of: Survey of Agencies, Part XI; Bibliography, Part XI. Continuing the series listing sources of information, books and articles which will be helpful to those interested in post-war planning.

Available from: United Nations Information Office, 610 Fifth Avenue, New York 20, N. Y.

PAN AMERICAN ECONOMICS.—Paul R. Olson and C. Addison Hickman. 1943. 484 pp. Price \$4.50. Discusses all phases of Latin American economics, first on the basis of long-range trends and processes and, secondly, as they have been affected by the war. Special emphasis is placed on economic relationships between Latin America and the United States, although international aspects generally are given attention. Illustrated with maps and charts. Contains 60 references to articles originally published in FOREIGN COMMERCE WEEKLY.

Available from: John Wiley & Sons, Inc., 440 Fourth Avenue, New York 16, N. Y.

AFRICAN HANDBOOKS. A series of studies of the African continent and its inhabitants:

1. THE GOVERNMENT OF FRENCH NORTH AFRICA. Herbert J. Liebesny. 1943. 130 pp. Price, \$1.50. A report of the administrative and legal organization of the French possessions of North Africa.

2. THE MINERAL RESOURCES OF AFRICA. A. Williams Postel. 1943. 105 pp. Price, \$1.50. A discussion of Africa's mineral resources, including production figures, commodity prices, and uses of mineral materials. Presents also annual world production, annual output of the world's chief producer, and Africa's annual production for each mineral material discussed. Illustrated with maps, charts, and tables.

3. THE FOOD RESOURCES OF AFRICA. Thomas S. Githens and Carroll E. Wood, Jr. 1943. 105 pp. Price, \$1.50. A general survey of Africa's agricultural resources, and its potential importance as a contributor to the world's food supply.

Available from: University of Pennsylvania Press, 3622 Locust Street, Philadelphia, Pa.



Contributors' Column

David Fellman ("Canadian Hinterland of the Alaska Highway").—Born December 6, 1910. Educated in public schools, Manchester, N. H. B. S. degree in Economics, University of New Hampshire, 1934. Served 1934-35 as student trainee in social work, Federal Transient Bureau. Worked as Claims Examiner, Retirement Claims Division, Railroad Retirement Board, Washington, D. C., 1936-42. Joined Bureau of Foreign and Domestic Commerce in April 1942 and was assigned to the British Empire Unit, where he has devoted himself to questions affecting the commerce, industry, and general economic position of Canada.

James Lawrence Fly ("Post-War World Communications").—Born at Seagoville, Tex., February 22, 1898. Graduated Dallas High School, 1916; U. S. Naval Academy, 1920; Harvard University, LL. B., 1926. Retired from naval service in 1923 after several years' service. Admitted to Massachusetts bar and New York bar, 1926; practiced law with White and Case, New York City, until 1929. Special Assistant U. S. Attorney General, 1929-34. General counsel Electric Home and Farm Authority, Inc., 1934-35. Head of legal department of Tennessee Valley Authority, as general solicitor, 1934-36; as general counsel, 1937-39. Chairman of the Federal Communications Commission since 1939 and Chairman of the Defense Communications Board since 1940. Author of articles on a variety of legal subjects.

Foreign Commerce Statistical Decisions

(F. C. S. D. 45)

NOTICE TO COLLECTORS OF CUSTOMS, EXPORTERS, AND OTHERS CONCERNED

Shipper's Export Declarations—Horizontal and Vertical Forms

DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
Washington 25, D. C.

Effective January 1, 1944, the use of the horizontal form of the Shipper's Export Declaration (Commerce Form 7525, March 18, 1942 edition) will no longer be permitted. The use of the vertical form (January 31, 1943 edition or June 15, 1942 edition, with the addition of the Budget Bureau Approval Number) will be required after that date.

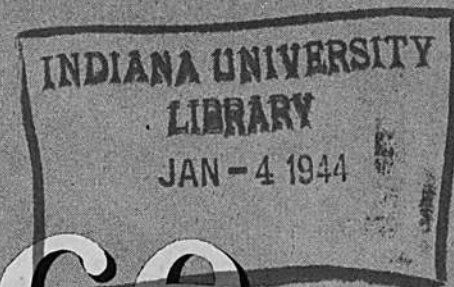
This supersedes the provisions of Foreign Commerce Statistical Decision 40, issued on June 25, 1943.

(Signed) J. C. CAPT, Director.

DECEMBER, 3, 1943.

U. S. GOVERNMENT PRINTING OFFICE: 1943

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Vol. XIII, No. 13

December 25, 1943

**"FOR HUMAN NATURE'S
DAILY FOOD"**



Foreign Commerce Weekly

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Issued by the UNITED STATES DEPARTMENT OF COMMERCE, JESSE H. JONES, Secretary

THIS WEEK

Work Together Economically!.....	3
How Canada Has Eased Its Farm-Labor Shortage.....	5
Brazil's New National Motor Factory.....	6
Ecuadoran Textiles.....	8

DEPARTMENT OF COMMERCE FIELD SERVICE

Atlanta 3, Ga., 603 Rhodes Bldg.
 Boston 9, Mass., 1800 Customhouse.
 Buffalo 3, N. Y., 242 Federal Bldg.
 Charleston 3, S. C., Chamber of Commerce Bldg.
 Chicago 4, Ill., 357 U. S. Courthouse.
 Cincinnati 2, Ohio, Chamber of Commerce.
 Cleveland 14, Ohio, 750 Union Commerce Bldg.
 Dallas 2, Tex., Chamber of Commerce Bldg.
 Denver 2, Colo., 586 Customhouse.
 Detroit 26, Mich., 371 New Federal Bldg.
 Houston 14, Tex., 603 Federal Office Bldg.
 Jacksonville 1, Fla., 425 Federal Bldg.
 Kansas City 6, Mo., 724 Dwight Bldg.
 Los Angeles 12, Calif., 1540 U. S. Post Office and Courthouse.
 Memphis 3, Tenn., 229 Federal Bldg.
 Minneapolis 1, Minn., 201 Federal Bldg.
 New Orleans 12, La., 508 Maritime Bldg.
 New York 18, N. Y., Room 1950, 500 Fifth Ave.
 Philadelphia 2, Pa., 1610 Chestnut Street.
 Pittsburgh 19, Pa., 1013 New Federal Bldg.
 Portland 4, Oreg., Room 313, 520 S.W. Morrison St.
 Richmond 19, Va., Room 2, Mezzanine, 801 E. Broad St.
 St. Louis 1, Mo., 107 New Federal Bldg.
 San Francisco 11, Calif., 307 Customhouse.
 Savannah, Ga., 403 U. S. Post Office and Courthouse Bldg.
 Seattle 4, Wash., 809 Federal Office Bldg.

News by COUNTRIES

Argentina.....	10	Costa Rica.....	17
Belgian Congo and Ruanda-Urundi.....	13	Cuba.....	17
Bolivia.....	14	Ecuador.....	18
Brazil.....	14	Finland.....	18
Canada.....	14	French Cameroun.....	18
Ceylon.....	16	French North Africa.....	18
Chile.....	16	India.....	19
Colombia.....	17	Spain.....	20
		Uruguay.....	20

News by COMMODITIES

Automotive Products.....	22	Machinery, Other than Electrical.....	27
Beverages.....	22	Motion Pictures and Equipment.....	27
Chemicals.....	22	Naval Stores and Resins.....	27
Coal.....	23	Nonferrous Metals.....	27
Construction.....	23	Office Equipment and Supplies.....	28
Electrical Machinery and Equipment.....	24	Oils, Fats, and Oilseeds.....	28
Foodstuffs and Allied Products.....	24	Paints and Pigments.....	28
Hardware.....	25	Petroleum and Products.....	28
Iron and Steel.....	25	Rubber and Products.....	26
Leather and Related Products.....	26	Special Products.....	26
Lumber and Products.....	26	Textiles and Related Products.....	26
		Tobacco and Related Products.....	30

REGULAR DEPARTMENTS

Export Control and Related Announcements.....	34	Latin American Exchange Rates.....	33
Trade-Mark Applications.....	33	Pertinent Comments on World Economy Today.....	11
New Books and Reports.....	32	Contributor's Column.....	31

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PUBLISHED WITH THE APPROVAL OF THE DIRECTOR OF THE BUDGET (42 J. C. P.)

Work Together Economically!

Future World Business, Heightened Well-Being, Can Be
Firmly Rooted Only in CONSTRUCTIVE Collaboration

ADDED TOGETHER, the total of the things we are sure of today is indeed impressive. But it might be well to recall that there has been a long sequence of actions and policies which have contributed to this total. For some we can claim credit, for others we can blame or thank our enemies.

Once something has happened we are very inclined to think that it was always like that. Next, some latecomer to the scene invariably suggests that it probably was not so important anyhow. If anyone takes the trouble to argue with him, he then says he can prove it was a racket and asks for an audit.

One is prompted to make these comments because of the recent attacks on one of the major contributions to the present improved position of the United Nations. Without the wholehearted support of our Allies and friends in this Hemisphere, neither our production records nor our military accomplishments would have been possible. In fact, the support which the other American Republics pledged at Rio, and all but one have carried out in a series of actions too numerous to enumerate, has assured us that, if we could keep the sea lanes open, ample supplies of scarce strategic materials would feed the production lines.

Courageous and Cooperative

When these pledges were given in January 1942, the sea lanes were *not* open; in fact, not only our own coasts but all the Caribbean areas were infested with Axis submarines. Every delegate at Rio knew the situation—they knew full well the danger of casting their lot with us, but they did so. Most importantly, they did so of their own free will; they were living up to pledges which they had freely taken at Habana and at Panama.

Furthermore, subsequent courageous and truly cooperative action of 19 of them gave full assurance that in this Hemisphere, at least, fifth columns would find scanty encouragement.

We have made mistakes; even in days of peace human beings are fallible, and in time of war the percentage of error certainly does not decrease. The mistakes which we have made in this Hemisphere have been singularly our own;

By the Honorable WAYNE CHATFIELD TAYLOR, Under Secretary of Commerce¹

in fact, we insisted on making some of them against the advice of some of our own good neighbors. We need not gloss them over too lightly, but we can take comfort from the fact that they were mistakes which at worst cost few lives and which at best saved a great many. Incidentally, that is not a bad test to apply in peace as well as war.

Salutary Solidarity

It is important to emphasize one aspect of our demonstrated Pan-American solidarity. It is not an accident that Secretary Hull was able to represent us with such distinction and conviction at Moscow. He was discussing policies which he had tested in this Hemisphere, policies which he had helped to formulate, policies which he had threshed out in long discussions with the Foreign Ministers of the other American Republics. The acceptance of these policies, adapted to meet the fundamental requirements of a permanent world organization of peace-loving sovereign nations, represents a great personal tribute to Cordell Hull.

When we look closely at the situation, the progress of the United Nations in the field of organizing for peace and reconstruction is almost more startling than the progress in the military sphere. It goes almost without saying that the progress in the political field would not have been possible if the cooperation in the military sphere had not accompanied it. Confidence breeds confidence, and cooperation in one field can soon spread into others.

As late as a year ago the possibilities of the United Nations' forming the basis for any future organization were being viewed with great skepticism.

In these past 12 months a number of historical meetings have taken place,

¹This article is a shortened and slightly modified version of the address delivered by Under Secretary Taylor before the Town Hall Club, in New York City, on December 7.

each one signifying or preceding a major advance on the military and political fronts. One may mention them as they occurred chronologically, without attempting to indicate their importance. The Casablanca Conference was held in January, the meetings with President Camacho in April; the Food Conference, with its eminently satisfactory results, was held in June; the Quebec Conference took place in August; the Moscow Conference occurred in October; the Relief and Rehabilitation Conference was recently concluded; and the far-reaching decisions reached at Cairo and Teheran were announced some weeks ago. The pace of events has been rapid indeed, but one feels that the turn of the year will be signalized by further notable developments.

Signal Contributions

Perhaps one would expect a representative of the Department of Commerce to speak mainly of our progress in production, transportation, or finance. These matters are indeed important but not as important as the military and political progress: *they* make progress in the other two fields possible. We who serve in industry, agriculture, transportation, distribution, finance, or special service of any character, in or out of government, can proudly do our parts but with full realization that these parts are humble indeed compared to those of any man fighting for victory for all of us, or any true statesman striving to organize a system under which all simple peace-loving people can look forward to year after year of secure accomplishment.

During the war period, industry and transportation in particular have made astounding contributions. The production of combat and transport planes alone is a story unequalled in history. The full account of how these planes were used will serve to explain much of the progress on the military fronts. The contribution of agriculture is great but less spectacular; nevertheless great changes have taken place, changes which will have a marked effect on the health and diet of people all over the world.

Of necessity, distribution has made many adjustments, and it will continue to do so in the post-war period.

Surge of New Ideas

In practically all fields of what we normally consider as business endeavor, there is a surge of new ideas; some are, of course, improvisations designed to meet the problems of war, while others, more basic in character, will exhibit their full force after we have earned our victory.

Similar changes and a similar surge of new ideas are appearing all over the world. They have not as yet established such positive patterns as the ideas on political organization. However, political organization to be successful must be supported by economic factors and conditions.

In turn, successful economic organization must be supported by political and social forces and conditions. In the past, all attempts to segregate these major elements have ended in failure; nor is there any reason for believing that future experiments will result otherwise. The economic organization of any nation always exhibits many individual characteristics, just as the political organization does. Any attempt to impose a particular type of economic organization without adaptation on another nation has met failure similar to attempts to impose political organization intact. It is not necessary to elaborate this obvious point.

Today's Thought-Patterns

While the principles of international economic organization have not as yet reached the stage of general agreement evidenced in the political field at Moscow, Cairo, and Teheran, there are certain ideas which have exhibited sufficient

vigor to warrant a brief analysis of them.

These ideas, or general principles, have appeared again and again in individual published statements and conversations with men and women of many nations. One feels that they will appear in any discussion of future international economic relations. Let us report these ideas briefly, with no particular thought as to the order of their importance or of their origin. They are all important, as they point out the kind of world in which we will be doing business, the sort of world in which our children will live. Some of these ideas may shock observers; others may seem, perhaps, to be merely pious hopes. No attempt is made here to "sell them"; they are merely "reported for evaluation."

First. Domination by a master race, a master nation, or a master class within a nation is untenable. That is what this war is about, that is what we are fighting against. Translating this into what we are fighting for, it means a system of international organization and understanding under which agreements on foreign trade will be reached not merely because one nation is strong and another nation is weak. To be sure, there will be tangible reasons for agreement but not the tangible reasons represented by a club or a squadron of bombers.

Second. A national economy or an international economy must be based on full production, full employment, and maximum national income. This is another way of saying that restrictive concepts of finance or trade which stand in the way of full development will be brushed aside, that the industrialization and development of all nations will have the right of way.

Exclusiveness Is "Out"

Third. One-crop countries or one-industry countries are a thing of the past. Certain localities, of course, have certain natural advantages, certain populations have certain specialized skills, but the people of all countries are entitled to the benefits of education, science, and invention. Modern transportation, especially air transportation, and modern communication, especially radio communication, have removed the last barriers to rapid exchange of individual or collective ideas.

Fourth. Concessions which turn over to private groups the exploitation of natural resources or the exclusive development of vital national functions such as transportation and communication, either will not be granted at all or will be so administered that the public interest is fully protected at all times. If such concessions are granted to foreign groups, further safeguards will be imposed which will insure that most of the profits of such enterprises will be available for further development of the economic life of the nation which grants the concession.

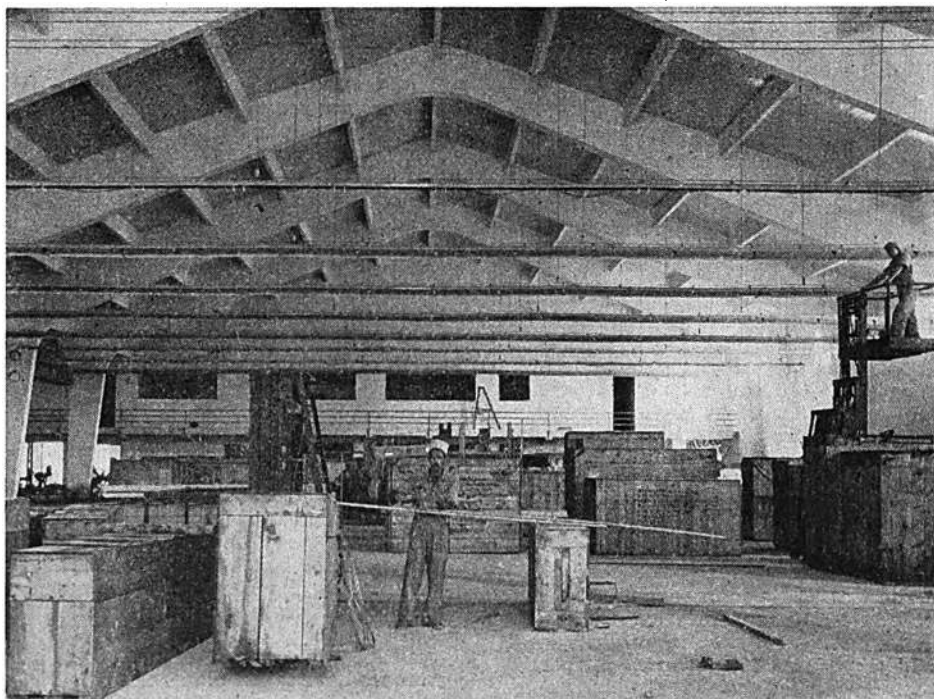
"Available to All People"

Fifth. The broad controls which will implement basic policies will be administered by governments in agreement with the governments of other friendly and similar-minded nations. This does not mean regimentation, it does not mean that individual initiative and the profit motive will be discouraged, but it does mean that the avenues for these activities will be more clearly defined. It does mean that inventions, especially those which promote health, will be available to all people instead of to select groups. It does mean that no private group of international industrialists or financiers, no matter how strong, will be able to take action which is fundamentally opposed to the national interest of any one country or any group of nations which have established common interests and common principles.

In the field of national and international financial organization, the picture is not nearly as clear. While these fields are being given close scrutiny, and many significant suggestions, such as the White and Keynes plans and the proposals for international banking organizations, have been advanced for discussion, the general public in any country has not as yet exhibited much interest. This is extremely unfortunate. While the whole subject of international payments, and the means by which reconstruction, development, and normal trade can be financed and serviced is naturally controversial, nevertheless we must not back away from the realities.

The necessity for our developing an international investment policy which will be broad enough to meet the needs of the post-war period becomes apparent when we attempt to analyze the conditions which the United Nations will face when the guns cease firing.

(Continued on p. 21)



C. I. A. A. photo

"Brazil, with tools, can produce necessities and luxuries for many times its present population." Such tools are about to be set up in the scene portrayed above—the machine shops of Brazil's new National Motor Factory (see article on pp. 6 and 7).

How Canada Has Eased Its Farm-Labor Shortage

THERE ARE approximately 700,000 farms dotting the Canadian countryside, varying from the dairy farms of the Maritime Provinces to the vast wheat fields of the Prairies and the fertile orchards of British Columbia. The workers on these farms ordinarily make up a large segment of the Dominion's labor supply, but by 1942 war factories and the armed forces had drawn heavily on this source of manpower, and, as a result, the scarcity of farm help became Canada's principal farm problem. The need for more farm workers was further aggravated in 1942 by tremendous crop yields and greater livestock production.

Shortage Almost Banished

This serious farm-labor shortage, it is reported, was almost eliminated in 1943 when the Canadian Government worked out detailed plans and gave continuous attention to the succession of farm-labor needs as they arose throughout the Dominion. The combination of smaller grain yields and favorable harvest weather in 1943 also served to alleviate the problem as compared with 1942.

In April 1943 the Government adopted legislation calling for the compulsory transfer of labor from industries of low essentiality to more essential employment. Agriculture was among the industries to benefit from this legislation, and single men physically fit and experienced for farm work were directed to farm jobs. Through this action some permanent help for dairy and livestock farms was supplied.

Soldiers Do Seasonal Work

Probably the most important step taken was a plan announced in July whereby soldiers from army units in Canada are permitted to go on farms to do seasonal work. Though remaining under military discipline and orders, the soldiers work in the same manner as civilian farm workers. More than 6,000 men were granted "compassionate leave" to return to their own farms or those of immediate relatives. The Canadian Department of Labor paid the transportation for these men up to 500 miles, and paid for an issue of one suit of work overalls for each man.

Approximately 2,500 soldiers worked on farms this season under this farm-duty plan. About 1,600 worked in the harvest fields on the prairies, 500 picked apples in Nova Scotia, another 100 dug potatoes in New Brunswick, and the remainder picked fruit or did general farm work in Ontario, British Columbia, Quebec, and Prince Edward Island.

By DAVID FELLMAN, *British Empire Unit, Bureau of Foreign and Domestic Commerce*¹

Soldiers were paid at the rate of \$3.00 a day in the Maritimes and Quebec, \$3.50 in Ontario, and \$4.00 in the western Provinces. The farmers did not pay the soldiers direct. The soldiers received from their own paymasters the money owed to them. The money was collected from the farmers by the Provincial authorities and transmitted to the Chief Treasury Officer in the Department of Labor. The Department in turn is billed by the Department of National Defence for the money paid to the soldiers for days actually worked, transportation to and from farm duty, and the aforementioned issue of overalls for each man.

This arrangement helped in some measure to quiet critics who have attacked the Government's policy of maintaining a large military force while production of food and other vital supplies was suffering from shortages of manpower.

¹ Article based in part on official report by George V. Haythorne and T. B. Pickersgill, of the Canadian Government's Department of Labor.

Utilizing Axis Prisoners

Various other plans have been resorted to in order to increase the supply of agricultural workers. By a Cabinet order of May 1943, use has been made of prisoners of war. A successful experiment in the use of such men was made last spring when about 500 men were transported daily from a prison camp in Alberta to sugar-beet farms in the area. An order in council was passed in July to allow individual prisoners to be placed with farmers. The farmer pays \$25.00 per month for these men and supplies board and lodging. Out of this amount each man is credited by the Director of Prisoners-of-War Projects at Ottawa with \$0.50 per day. Twenty cents of this is held in reserve for him—the rest he may use in making purchases. A similar arrangement exists for merchant seamen, interned since the beginning of the war, who wish to work on farms.

The employable men and women among the 21,000 Japanese evacuated from the protected area on the Pacific coast are being gradually placed in useful employment that will help the war effort. About 5,000 extra workers for Canadian farmers have thus been obtained. About 3,000 in Alberta and 1,100 in Manitoba

(Continued on p. 30)



"In the harvest fields on the prairies."

W. I. B. photo

Brazil's New National Motor Factory—

*First Plant in Latin America to Build
Airplane Engines From Start to Finish*

By the Office of the Coordinator of Inter-American Affairs

IN THE SUMMER OF 1942 it was a boggy swampland, crawling with crocodiles. Today, it is Brazil's fastest-growing, most modern factory, which will soon augment the United Nations' supply of aircraft engines.

That, in brief, is the story of the National Motor Factory (Fabrica Nacional de Motores), nestled in the foothills of the steep Serra do Mar mountains near Rio de Janeiro. Behind that story is a remarkable record of engineering skill and of closest Brazilian-American economic cooperation.

When it gets into production, probably early in January 1944, the National Motor Factory will be the first plant in Latin America to build airplane engines from start to finish. That fact alone illustrates the factory's wartime importance. With a local productive source, Brazil will be less dependent on hard-

pressed North American plants for engines and parts to power its military and civil aircraft.

Ultra-Modernity Rules

Fully air-conditioned, fluorescent-lighted, windowless, and "black-out" for security reasons, the \$9,000,000 factory is as modern as the streamlined motor scooters which will speed personnel up and down its long floors. Its equipment—80 percent of which is already at the factory—is all-American, of the very latest type. And the plant design and the methods to be employed within the plant closely followed the American model.

Driving power behind the National Motor Factory is dynamic, good-humored, 43-year-old Air Brigadier (Brigadeiro do Ar) Antonio Guedes

Muniz, of the Brazilian Air Force. One of Brazil's leading airmen, he designed and built his country's first plane in 1935—the Muniz M-7 biplane, which is still in aero-club use today. General Muniz's energy, his indefatigable effort in building the plant, and his sparkling, democratic personality have made him the idol of his workmen—which is a big factor in the comparatively swift rise of the Brazilian factory.

The youthful General is proud of the factory, because he foresees vast technological changes for Brazil arising from its operation. Says General Muniz: "This factory will show Brazilians new techniques in making mechanical parts and in erecting factories of American, not European, design."

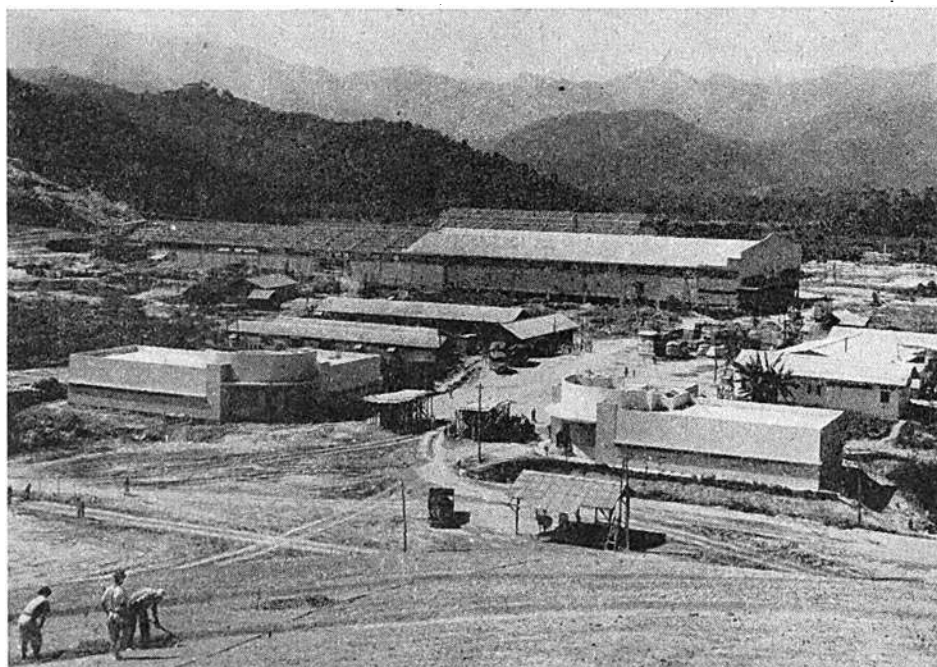
Bright Augury

He believes that the plant, in effect, will be a "model American showroom," and explains it this way:

"For the first time we will be using the finest American precision tools on a large scale. Heretofore, Brazilian manufacturers have been inclined to buy British and German machine tools, since they were slightly cheaper than the American. This war, however, is showing each day that American tools have not only unsurpassed quantity output but also unmatched quality. Once Brazilians see for themselves how these instruments work, they will be content with no other."

That is a bright augury for Brazilian-American commerce in the post-war world when Brazil expects to carry out its great industrial plans. The impelling urge of that country today is to build those industries which spell power and better living, utilizing the nation's plentiful economic resources. The great Volta Redonda steel plant (see *FOREIGN COMMERCE WEEKLY*, Nov. 27, p. 3) occupies a large part in that picture, and so does the National Motor Factory. North American collaboration is making both enterprises possible.

Brazil's transportation future, owing to the country's giant size and its varied terrain, will involve increasing use of



C. I. A. A. photo

General view of the National Motor Factory being built by the Brazilian Government outside Rio.

aviation services. That is why there has long been talk in Brazil of a national aircraft industry for both planes and engines. Small factories for producing light aircraft were built. But talk of a motor factory did not crystallize into more specific form until 1940, when General Muniz, then an air force colonel, was sent out on a 2-month Government survey trip to pick a suitable factory site.

Excellent Site

After hopping up and down the country in his plane, Muniz finally selected a wide expanse of uncultivated, marshy land only 22 miles from Rio. The location was excellent (and the land very cheap)—near the main line of the railroad running between Rio and Petropolis, and served by a smooth, three-lane concrete highway. The site offered still another advantage: water for the plant and drinking water for the workers' community.

With plans for the factory drawn up, General Muniz, who speaks perfect English, traveled to the United States in January 1941, to consult with officials of the American Government and the Wright Aeronautical Corporation. The project was approved, the Export-Import Bank made available certain credits, and priorities on machinery were granted. In the face of an increasingly critical world situation, however, the priorities did not "hold up," and this was particularly true after Pearl Harbor.

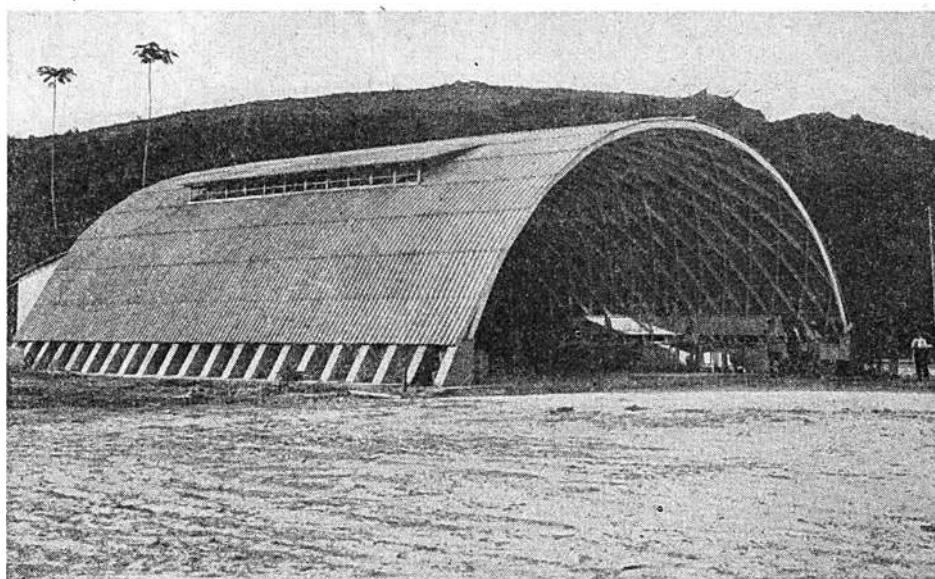
Importance Accentuated

When war came to the Americas, the military importance of the National Motor Factory project sharply increased. Engines were needed for the Brazilian patrol planes used to guard Brazil's very long coastlines, and for Brazilian training ships. The engine factory thus became vital to Western Hemisphere defense, and as such (it was felt) merited higher priorities.

In February 1942, General Muniz went to Washington and, together with Brazil's Finance Minister Souza Costa, who was in the capital at the time, discussed the matter further with American officials. It was finally agreed that the National Motor Factory would be included in United States Lend-Lease assistance to Brazil. After American experts changed the plant design somewhat, a contract was signed with the Wright Aeronautical Corporation, authorizing the manufacture in Brazil of the Wright Whirlwind 450-horsepower airplane engine. The way was now clear.

Transformation Effected

July 1942, in General Muniz's own words, marked the beginning of everything. Engineers moved onto the land and began to drain off the malaria-breeding still water. Drainage canals were built, and, as soon as the land was sufficiently dry, huge pilings for the building foundation were driven into the ground. American equipment also began to arrive in large volume as Wash-



C. I. A. A. photo

When completed, the airport at Brazil's new airplane motor plant will have a runway 2 miles long.

ington fulfilled its promise to its South American ally.

While showing the plant to some American newsmen recently, General Muniz pointed to a spot where last year he had killed a good-sized crocodile. Many of the reptiles had been seen sloshing through the marshy land, and snakes and slinking jaguars also had been in evidence. But the big danger was mosquitos. With the help of medical men and excellent drainage canals, however, the malaria rate was cut from 60 percent last year to a flat zero. First-rate health conditions now prevail at the factory.

The 700-foot-long factory building, like other Brazilian structures, was made of reinforced concrete. To maintain thermal control in the building, the roof is lined with soft natural sand from northern Brazil, and General Muniz estimates that the process will save 10 percent in air-conditioning power. Air-conditioning ducts can be seen all over the place.

Internal Set-Up

The main difference between this factory and most other Brazilian plants is the internal set-up. Emphasis at the National Motor Factory is on an overhead power system, with machinery not bolted to the floor, to facilitate future movement. This is the American influence and differs from the European, according to General Muniz. The European style, he says, stresses bolted machinery, which does not allow for rapid plant expansion.

An electrical control station with a dominating view of the entire internal plant area will centralize factory control in one man. Crankcases and aluminum parts will be made on one side of the factory, with steel parts and crankshafts being fabricated on the other. Castings will be fed into the plant from the aluminum and brass foundry that is fast taking shape.

The giant, complex American machines which now are being assembled, oiled, and put in flawless working order will soon be cutting delicate parts for aircraft engines. General Muniz says the plant will have a top production of more than 500 Wright Whirlwinds a year on one 8-hour shift—more than 1,000 motors on two shifts. Later he hopes to start building plane engines up to 1,200 horsepower.

A realist, General Muniz knows that one cannot take untrained men and have them producing motors overnight. Brazilian engineers are now studying at Wright's plant at Paterson, New Jersey. Upon returning to Brazil, they will teach 1,000 specially selected workmen in the craft of engine-building, aided by North American experts. Approximately 50 engine castings—plus "knocked-down" motors—have been sent from the United States to the plant so that the Brazilians can have an extra boost during initial production.

Signal Advantages

General Muniz outlines the wartime advantages of the National Motor Factory in these words: "Using Brazilian resources, we will be able to make engines for new planes and replacement engines for planes already in service. And, what's more these days, we'll manufacture the spare parts—cylinders, crankshafts, crankcases, oil pumps, gears, gaskets, connecting rods, and other parts—which now must be imported over difficult sea routes from the States."

Brazilian eyes are on the post-war world, too. The Rio Government recently signed a contract with the Fairchild Engine & Airplane Corporation to build the six-cylinder Ranger in-line, air-cooled engine at the National Motor Factory. That should mean more knowledge and technical "know-how" for the Brazilians as they move toward a promising industrial future.

(Continued on p. 31)

Ecuadoran Textiles

Supply Most of the Domestic Needs

By the Office of the Coordinator of Inter-American Affairs¹

DESPITE WARTIME DIFFICULTIES, lack of shipping space, and scarcity of machinery, the Ecuadoran textile industry has managed to clothe Ecuador's 3,000,000 people with unfailing regularity.

Statistics show that Ecuador's 18 cotton factories turned out about 12,000,000 yards of cotton cloth valued at some \$3,000,000 in 1942, and production in 1943 reportedly maintains about the same pace. This indicates that improvised spare parts and a double shift in many cases, to utilize to the fullest extent all available machinery, has kept up production to about its normal level.

The decrease in foreign competition, in consequence of shipping scarcity and labor shortages in other countries, particularly in the United States, has tended to "nationalize" the Ecuadoran market and has increased the domestic price of cloth.

Record of the Past

But prosperity has not *always* been the lot of Ecuadoran weavers. In fact, the industry which does its patriotic duty so vigorously today has been toughened by "hard knocks," and the fight for existence has been going on for more than a hundred years.

It was about 1840 when the first mechanical cotton-textile mill was built in Ecuador by Don Pedro Perez Pareja, an Ecuadoran by birth who had been educated in the United States and had obtained his citizenship there by naturalization.

Don Pedro's adventures rival those of United States industrial pioneers. He returned to the United States, obtained a job in a cotton mill in Patterson, New Jersey, and learned the business thoroughly. While he learned, he saved enough to buy machinery and send it back to Ecuador.

The site selected for the first factory in the country was, logically enough at that time, Cotacachi, near colorful Otavalo, which was then, and still is, the

center of the Indian hand-weaving industry. Otavalo is high in the Andes on the backbone of the rugged continent of South America.

Don Pedro's machinery had to be carried by burro and human pack train over narrow, slippery, and overgrown trails from sea-level to over 9,000 feet. But Otavalo was the market, and there Don Pedro would have his factory. Two kilometers from Otavalo, the Mangara River drops 6 meters, and this tiny fall became the source of power for the factory.

Slowly and painfully, without the aid of competent mechanics other than himself, he set up his machinery and had barely started operating when a large tank of sun-baked brick at the end of the sluiceway from which he drew his pressure for a turbine gave way and washed out his plant. Every detail had been correct; every calculation had been accurate, but the masons who had behind them centuries of science in the sun-baked empire of the Incas and who had built whole cities of brick and lime mortar, had forgotten that the mortar would have to dry before the reservoirs were filled! It was a small detail, but costly.

Misfortune Retrieved

With the patience of a man whose determination was unbreakable, Don Pedro slowly and patiently recovered his machinery from his own accidentally made river bed, cleaned off the mud, and set it upon repaired foundations. He rebuilt his reservoir, this time of hand-hewn stone and mortar which dried thoroughly before water was run into it. Cement was unknown in those days.

The Cotacachi factory was in successful operation by the middle of the century. The market developed as markets do where shrewd and determined men pick their opportunity and make it work for them. Soon others had taken up the idea, and the predecessors of two others of today's Ecuadoran textile families had established factories in the Chillos Valley, just outside of Quito, the capital of Ecuador. The Jijon family and the Aguirre family, struggling through somewhat similar difficulties, have handed down their plants through three generations to the present day.

Production of none of the early factories was continuous, however. Nature, in Ecuador, has always resisted progress.

The earthquake of 1868 completely destroyed the Cotacachi factory and killed Don Pedro himself. Of the entire establishment, the only part remaining intact was the reservoir. The machinery was ruined, and the building collapsed. To this day, however, the hand-hewn stone structure stands as a monument to the perseverance of the first textile industrialist in Ecuador.

Two or three years later, nature again intervened. The great "alluvión de Cotopaxi" (eruption of the Cotopaxi Volcano) showered burning lava and ashes into the "Valle de los Chillos" and covered, burned, and crushed the two textile plants there.

Years later, it was Fernando Perez Quíñones, son of the indomitable Don Pedro, who picked up the pieces and put them together to make another plant. He was missing many cogs, shafts, spindles, and other parts. There was no foundry in Ecuador. So young Fernando carved the missing parts out of wood and sent them to the United States to be forged. Again, others followed into the field, and the textile industry struggled on. The year 1920 inaugurated a period of plant expansion, and the year 1929 nearly wiped it out, but a goodly number of the hardiest souls were still doing business when in 1940, fewer ships began to mean less competition.

Some Basic Factors

Ecuadoran textile men, unlike those of many other countries, have always had to compete with imports. New plants were protected for a period during their early lives by freedom from internal taxes and by other favors, but a really protective tariff has never existed; thus it took a war to bring them any appreciable share of their national market.

Short-fiber cotton has always been raised to some extent in the coastal Provinces of Ecuador, and the progress of the textile industry has expanded also the extent of cotton raising. Labor, cotton, starch, salt, and tallow are listed as necessities which can be obtained within the country. Machinery, spare parts, dyes and chemicals, and all other miscellaneous products must be imported, even during the war.

Sociologically, also, the sale in Ecuador of \$3,000,000 worth of factory-made cotton textiles, aside from the cloth imported into the country and stocks of foreign goods on hand before the war, is important.

¹ EDITOR'S NOTE.—This story, written "on the ground" by an American observer in Ecuador, does not aim to constitute a comprehensive or documented discussion of the Republic's textile production and trade. Rather, it is intended simply to convey an appreciation of the background, "atmosphere," and general environment of a local South American manufacturing industry developing in response to the people's aspirations and the exigencies of world conditions.

Character of Fabrics

When Don Pedro Perez Pareja established his factory at Cotacachi, he intended only to provide "lienzo," a coarse, unbleached sheeting. It was slightly better than the cloth the Indians were wearing for their own clothing and was made more economically. The Indian was his market.

The fabric made by Ecuadoran plants these days, however, is so different from that first manufactured that Ecuadorans know it as "Chillos," from the name of the valley in which most of it is made. The more primitive Indians still wear "lienzo," the rest of the people wear either "Chillos" or imported fabrics.

The \$3,000,000 worth of "Chillos" was sold during 1942 in this nation of slightly more than 3,000,000 inhabitants. Somewhat more than that will be sold in 1943.

By force of circumstances, the industrial heirs of Don Pedro have fulfilled in good measure his objective of competing with the Indian home industry by more economical methods.

Question of Dyes

There are those romanticists—chiefly foreign tourists—who will bemoan the loss of the colorful Indian who supports himself independently by his home industries of weaving, spinning, and raising his own fibers. There are those who will regret not being able to buy a rough, hand-made cloth for practically nothing, tinted with brilliant "vegetable" dyes, "just like the Incas wore."

The tourist may still be able to buy these, but, if he does, he will fall into a trap of his own making. Dyers who have studied their subject assert that the Incas actually had no beautiful, fast dyes.

"Buy the most beautifully colored and fastest-dyed hand-made poncho or rug," an expert will challenge. "Examine it, and you will find it colored with aniline dyes. The only so-called vegetable dyes ever invented by the Indians themselves were the walnut color obtained from the walnut husk and the brown and yellow of the earths known as ochre. Whites were obtained by bleaching."

The romantic tourist can still stop along the Pan American Highway of the future and buy "Panama" hats, hand-knotted rugs (which rival the Persians), carvings, paintings, and other art works. But he will see most of his "Indians" dressed in "Chillos."

The reason for this does not lie solely in the industrial efficiency of the textile business. Machinery is not the only textile problem to which modernization has been applied. There is the whole field of labor relations and social problems which go with the running of a successful factory. It has been found, in Ecuador as everywhere, that healthy workers lose less man-days and that contented workers are more efficient.

Typical Large Factory

Seeking the basic arguments for and against industrialization versus picturesque home industry, the post-war tour-

ist might drop into the plant of "La Internacional, C. A." (International, Inc.) in the industrial quarter of Quito. It is only one of 28 factories in the country (including cotton, wool, and rayon plants), but it might be considered typical of the larger ones. The visitor will find in the factory office Luis Burbano, administrator, or José María Andrade Flores, manager, or if he is lucky, he may find there the president of the company, Don José Alberto Mena Caamaño.

"International" is now turning out 100,000 meters of cloth each 5½-day week and employing 632 persons on two shifts to do it.

The company is distinctly Ecuadoran now, though it was started on the initiative of Luis Dillon, of English extraction, in 1923. Financially, it had, and still has, its roots deep in the economy of Ecuadoran citizens, for its first capitalization of 2,200,000 sucres was divided among 2,300 shareholders. Now, its 4,400,000-sucra investment is held by 830 persons.

The concentration of ownership occurred during the trying years before 1931 when business was bad.

When the factory began, the spinner and mechanic were Italian, the dyer was English, and foreign technicians held all key jobs, but they were gradually replaced by their Ecuadoran students. Now the factory is completely national.

Enlightened Social Attitude

That foreign countries do not have a monopoly on modern handling of social problems in industry is well illustrated here. The company maintains a free clinic, staffed by a doctor and an assistant, and a pharmacy where medicines are obtained upon the doctor's prescription at the expense of the company.

(Continued on p. 31)

Meeting Brazil's Wartime Need for Skilled Workers

By the Office of the Coordinator of Inter-American Affairs

Trade-unions, industry, and Government are working shoulder to shoulder in Brazil today to meet the country's wartime need for skilled workers and trained specialists for promising post-war industrial expansion. Their joint effort consists of a system of industrial schools directed by the *Serviço Nacional de Aprendizagem Industrial*—the National Industrial Apprenticeship Service—more commonly known as the SENAI.

The SENAI was organized on January 22, 1942, to meet growing shortages of specialized workers in Brazil's expanding defense industries and in such vital public services as transportation and communications. Specifically, its objectives were to organize and maintain schools for teaching specialized industrial skills to apprentices and workers; to select candidates for industrial ap-

prenticeships and provide training scholarships for experienced workers; and to stimulate technical research benefiting industry. A supplementary law of November 21, 1942, placed SENAI on a full war-footing by aiming its activities directly at emergency war training for industrial personnel.

Although the project is supervised by the Government, actual operation of the plan is in the hands of the National Industrial Confederation; the SENAI is financed with funds derived only from industry and functions within the general laws laid down for industry, through affiliated cooperative institutes of plant-owners and employees. Each industrial establishment deducts 2 *cruzeiros* (about 10 cents) from each worker's pay to subsidize the *Serviço*, while plants with more than 500 employees contribute an additional 20 percent of deductions for scholarships and industrial research.

To insure an adequate supply of skilled workers for the country's post-war industrial development, apprenticeships are made compulsory in Brazil, and each plant is required to enroll and instruct trainees equivalent to 5 percent of the total personnel in the establishment. To protect the plant-owner, apprentices are required to show steady improvement at their trades or forfeit their training privileges.

Apprenticeships are open to boys between the ages of 14 and 18 for systematic theoretical and practical training in industrial techniques. Other courses, not classified as apprenticeships, are available to under-age workers who become eligible for apprenticeships if they display the necessary skill and ability.

A typical example of the program in action is the highly industrialized Sao Paulo area, in southern Brazil. The 250,000 industrial workers in the city of Sao Paulo are divided into 11 sections, each with its own SENAI-operated schools. Another quarter of a million workers in the State of Sao Paulo have access to schools in 30 districts, all operating under uniform regulations, with a capacity of 6,000 apprentices, 12,000 under-age trainees, and 4,000 adult craftsmen. Schools in the city of Sao Paulo are now giving 1,200 apprentices and under-age trainees instruction in professional skills.

During 1943 emergency courses in foundry work, welding, and the operation of complex machines were organized in Sao Paulo for adults, of whom approximately 300 have completed the prescribed courses lasting from 3 to 5 months, and several hundred others have completed special refresher courses of shorter duration. Similar training for adults is being provided at Taubate and Jundiaí, in the interior of Sao Paulo State.

Besides the training in industrial skills, the SENAI assists trainees with medical services, occupational-guidance facilities, and other services aimed at improving their well-being.

The cooperative nature of the project is revealed by the composition of supervising committees, each of which includes representatives of industry, labor, and Federal, State, or local governments.

News by COUNTRIES

Argentina

Tariffs and Trade Controls

Unconditional and Unlimited Most-Favored-Nation Commercial Treaty With Reciprocal Tariff Concessions and Provision for Eventual Customs Union Signed With Paraguay.—An unconditional and unlimited most-favored-nation commercial treaty embodying reciprocal tariff concessions and providing for an eventual customs union between Argentina and Paraguay was signed at Buenos Aires on November 17, 1943. Article I of the treaty provides for the appointment of a mixed commission charged with determining the manner in which the present treaty can be amplified so as to arrive at a complete customs union between the two countries. The members of the commission will be named and instructions regarding its procedure will be issued when the instruments of ratification of the treaty are exchanged.

In the treaty both parties grant to each other unconditional and unlimited most-favored-nation treatment in customs duties and subsidiary charges, in the method of collecting such duties and internal taxes, and in matters concerning the customs rules, formalities, and charges, until the contemplated customs union is established. Exception is made from the most-favored-nation clause for advantages resulting from a customs union which might be concluded by either with a third country before the conclusion of the Argentine-Paraguayan customs union.

Under the treaty Argentina binds the present duty-free treatment on bananas, farina, oranges, and mandarins, and binds against increase the present duty on hulled and unhulled rice, processed and crushed yerba mate, clay pipe, and crude cotton yarn for weaving up to size 40 (English measure). The Argentine duty is reduced by 7.5 percent on Paraguayan leaf or cut tobacco; by 30 percent on cigars of non-Habana tobacco, tung oil, and citrus-fruit juices; by 50 percent on starch, lemons imported from March 1 to November 30, honey, cane brandy (cana), cedar and hardwoods in logs, beams, and unplanned boards and planks, hardwood fence posts, pickets, and similar items, palms and palm posts for fencing, and plywood of "guatambu," laurel, cedar, "petereby," and "palotrebol;" and by 76 percent on pulp or paste of apricots and other fruits. In addition, the following products subject to duty in Argentina, will be admitted duty free from Paraguay: Pineapples, lemons (from December 1 to February 28); non-specified fresh fruit; fresh vegetables; mate (other than that mentioned above); sand for construction; charcoal; fire-

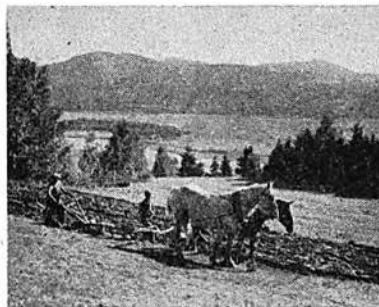
wood; hardwoods in rods for hoops; rough stone for paving and building; raw jute and hemp; refractory earth; firebricks; raw cotton (ginned); denatured coconut and palm oil; castor oil; natural rubber; essence of citronella; essence of petitgrain; essence of lignum vitae; wood pulp for making paper, kaolin, noncitrus-fruit juices, Paraguayan palm and reed hats, and nanduti (lace). Argentina also agrees to classify timbo wood as South American white pine, dutiable at 27 percent (including surtaxes), if unplanned, or at 17 percent (if in boards or planks), both assessed on a fixed official customs valuation of 0.40 gold peso per square meter. In a letter dated November 17, 1943, to the Paraguayan Minister of Finance, the Argentine Minister of Foreign Affairs stated that the duty-free admission of Paraguayan ginned raw cotton into Argentina would be limited to 5,000 tons annually, and subject to the provision that it be sold at prices not lower than the official prices for Argentine cotton at the time of sale.

Paraguay, on its part, binds the existing duty- and surtax-free treatment of books, magazines and other printed matter, and also binds the duty-free treatment of the following products, on

which, however, the customs surtax of 11 percent of the f. o. b. value, port of export, will apply: Chalmooogra oil; ethereal extract of male fern; antiradicalators; salts of mercury; novarsenobenzol and similar preparations; quinine and its compounds; salts of radium; santonine; serums, vaccines, and other injection preparations for human and veterinary use; sodium potassic tartrobismutate; thymol; electric tools and instruments n. o. s.; and electric transformers. Fresh fruits and fresh vegetables, and berries, will continue to be admitted duty-free, and exempt from the surtax of 7 percent of the f. o. b. port of export value. The import duty is reduced by about 25 percent and the surtax of 11 percent is bound on vermouth, sweet white and red wines, sparkling wines, and ordinary red wines in any container except wood. Reductions of about 29 percent in the import duty, and of the surtax from 11 percent to 7.7 percent are made on meat sausages, ham (except chopped ham), and bathtubs, bidets, toilets, wash basins, urinals, and similar items. Paraguay also reduces its import duty by approximately 47 percent, and binds the surtax of 11 percent on cider, champagne, reinforced or concentrated wine or must, ordinary red wines in wooden containers; electrical accessories; insulators of all kinds; copper wire, cable, and cords; storage batteries and parts; carbons for voltaic arc lamps; insulating tape; wireless and radio apparatus; arc lamps; electric lamp bulbs; flashlights; electric machines for washing and drying clothes, and dishes; electric motors or dynamos of 3 horsepower or less; paper, prepared for electrical insulation; electric dry batteries and parts; telephones and telegraphs and accessories; electrical utensils such as irons, toasters, hair dryers, stoves, and heaters; electric fans and parts; other electrical apparatus, utensils, and machines, n. o. s.; and electrical kerosene refrigerators.

Furthermore, on the following articles Paraguay reduces its import duty by about 75 percent and binds the surtax of 11 percent ad valorem: cottonseed oil, and oils of poppy, castor, colza, cade, cod liver, and similar items in pharmaceutical form; distilled water and hydrogen peroxide; manufactures of albumin and gelatine; itch-curing specifics for animals; vaseline (except perfumed); animal products, n. o. s., employed in medicine; cuttings; beans, berries, bulbs, roots, and similar items, n. o. s.; vegetable extracts, juices, and oils, n. o. s., in pharmaceutical form; other mineral, chemical and pharmaceutical products, n. o. s., including pharmaceutical specialties and alkaloids; and all stupeficients, narcotics, and similar items in pharmaceutical form. Finally, Paraguay removes the import duty and surtax of 11 percent

The Cover Picture



Farm Work

Our cover picture this week—furnished by the Wartime Information Board (Canada)—calls for no comment. It just portrays one phase of the farmer's never-ending work—work that makes civilization (and today's war effort) possible, whether it is performed with ultra-modern machinery or with the older types of equipment.

Getting sufficient labor for the farms is recognized everywhere as one of the pressing problems today, and our special article on page 5 of this issue tells what measures the Dominion of Canada has been taking to deal with this vital question.

of the f. o. b. value, port of export, on fresh and preserved milk, malted milk and milk or cereal-base foods for children and sick people; butter; cheese; oats in grain, including ground oats for fodder; biscuits and crackers; edible flours n. o. s. (excluding corn and wheat flour, and compound flours with yeast); confectionery, candy, and nougats; quince paste, and jellies and marmalades; tomato paste and sauce; sauces, condiments and similar preparations; heaters, stoves, and similar items of iron for burning coal, gas, wood, or liquid combustibles; and braziers, heaters, stoves, and similar items of brass, copper or other metal, n. o. s.

The treaty further provides that any other existing charges, taxes, and similar items collected on or in connection with imports of the products on the schedules of concessions will not be increased.

One article guarantees, reciprocally, freedom of commerce and navigation between the two countries, and states that the citizens of either country will enjoy in the other country most-favored-nation treatment for their persons and goods in matters of their business or profession.

The contracting parties agree not to create or maintain prohibitions or restrictions against imports or exports of any product of the other, nor to take any measures, consular or sanitary, which might hinder commercial interchange between the two countries, unless such measures are applied equally to similar products imported from or destined to any other country. Exception from this clause is made, however, for measures taken for reasons of public security, traffic in war material, protection of the health of human beings, plants, and animals, the defense of national wealth, whether it be of an artistic, historical, or archeological nature, and the removal from the country of gold and silver, coined or in specie.

The treaty also provides for free transit by land, river, and through the ports of each country, of persons and merchandise, subject only to the payment of charges for actual services inherent to transit, but which may not be higher than those imposed on national products for the same services.

For verification of the origin of imported merchandise either country may require that goods of the other to be accompanied by a certificate of origin, visaed by the authorities designated by the importing country. These certificates will be visaed without charge. The Governments of both countries agree to take the necessary measures to protect merchandise imported from the other against disloyal competition in trade, and, to that end, to prohibit the importation, manufacture, and sale of articles which carry false marks, names, inscriptions, or other direct or indirect indications of the origin, nature, or quality of the article; this provision also covers the adulteration of, or admixture to, merchandise or products which, although not harmful, alter its essence and properties.

The two countries agree not to impede imports from the other through customs regulations, and to give sympathetic consideration to representations of the other country on this subject. In case of representations regarding sanitary laws or regulations, and failure of agreement, a mixed commission of experts will be appointed to consider the question and submit its recommendations.

Should either country prohibit or restrict certain exports, for emergency reasons or to solve difficulties of internal supply, reasonable and equitable quotas to the other country will be fixed, in so far as possible, in an endeavor to supply its minimum requirements. Allocation of the quota will be made by the importing country. Both Governments also agree to begin negotiations for a convention regarding animal and vegetable sanitary regulations which will be put into effect as soon as possible. The technical agencies of the two Governments will collaborate to combat plagues and diseases affecting agricultural and livestock production in their respective territories.

The mixed commission charged with studying a customs union will also take into consideration the trade balance between the two countries during the life of this treaty, and in case of an export

balance, will propose measures to restore equilibrium. The two countries will encourage the exchange of experts, so as to assure reciprocal cooperation.

One article of the treaty provides that empty receptacles and containers which accompany merchandise imported for consumption will be subject to the corresponding tariff provisions; those which are marked and are used as containers for merchandise destined for reexportation will be exempt from charges or restrictions other than those representing fiscal operations. This article also contains a provision for the temporary importation under bond of containers and receptacles of merchandise which are to be sent back and used over again, provided they are marked indelibly for identification.

In case of differences relative to the interpretation or application of the treaty and the conventions which may be signed as a result thereof, both parties agree not to apply measures prejudicial to the other before considering the recommendations of the mixed commission regarding the controversy.

The treaty will become effective 30 days after the exchange of ratifications which will take place in Buenos Aires, and will remain in effect until 1 year after denunciation by either party; but

Pertinent Comments on World Economy Today

(Being one of a series of excerpts from books, pamphlets, and speeches)

More Factual Research Needed in International-Cartel Field

Public policy in regard to international cartels has to be based, on the one hand, upon known political and economic facts, including predilections and prejudices, and, on the other hand, upon those major post-war objectives envisaged as desirable and attainable. Unfortunately, the present investigations into the field of international marketing controls are very incomplete.

This situation is frequently ascribed to the secrecy of industrial private agreements and to the confidential nature of the data on actual returns, etc. This secrecy is, no doubt, a factor, but one may safely assume that the efforts to collect and appraise the available source material have been insufficient and one-sided. Even though there is an extensive literature on the subject of international trade, there is no reasonably complete set of studies on the international markets of individual commodities and services from the standpoint of marketing controls.

The prerequisite to the formation of a sound policy toward international cartels is the systematic collection of source material concerning the organization and operation of markets in the thirties. At least 30 up-to-date case studies are imperative in order to establish a factual basis for conclusions about international marketing controls before 1940.

Such case studies should investigate technological and marketing problems in order to determine to what extent the marketing of certain commodities inevitably tends to become noncompetitive, and which commodities and services, in pursuance of the public interest, ought to be subject to marketing controls (dangerous drugs, public transportation and communication facilities, armaments, explosives, etc.).

Intensive research may tentatively determine, with reference to certain commodities and services, the technological, commercial, financial, and legal conditions under which competitive elements could be newly introduced or maintained in an international market.

Such research may find alternatives to those marketing-control patterns which proved to be obnoxious to public interest. An investigation may result in the discovery of conditions under which international marketing controls may serve usefully the purposes of sundry public international trade and financial policies.

(From "International Cartels in the Post-War World," by Ervin Hexner, of the University of North Carolina. Booklet reprinted from the Southern Economic Journal.)

War Alters Character of Christmas Cards

The Christmas cards that are being opened today in the far-off Union of South Africa are (almost in their entirety) of a distinctly different character from those which in previous years have expressed the seasonal good wishes of the Union's inhabitants.

The new cards are of domestic manufacture, and they depict genuinely indigenous South African flowers, animals, scenery, and famous homes, says a British publication. The reason that these have replaced the conventional imported cards is that the latter, for the first time since the outbreak of World War II, simply were not available this year.

On the new South African cards, wishes are expressed in either of the two official languages—Afrikaans or English.

denunciation may not be made until 2 years after the treaty goes into effect.

[The United States is on an unconditional most-favored-nation basis with Argentina and on a conditional most-favored-nation basis with Paraguay.]

Pharmaceutical Products: Price Control Established and Profits Limited; Import Regulations Modified, Particularly for Labeling.—The Argentine regulations applying to the importation and sale of foreign pharmaceutical products and to the manufacture and distribution of domestic products have been modified and considerably expanded and include the introduction of a complete price-control system, by decree No. 8891 of September 15, 1943, of the Ministry of the Interior, published in the Boletín Oficial of September 20, 1943, Buenos Aires. The new regulations are designed primarily as measures to safeguard public health and to reduce the cost of medicine to the public.

The old Specialties Commission of the National Department of Hygiene, which formerly administered the registration of imported medicinal preparations is replaced by the National Commission for Valuation and Control of Medicinal Products, which will have complete charge of matters relating to the preparation and sale of medicinal specialties, professional and authorized formulas, dietetic and organotherapeutic products, serums, vaccines, and other curative agents whether preventive or diagnostic (X-ray films and others), chemicals and drugs for human as well as for veterinary use. This Commission will be composed of the following ex officio members:

- (a) A physician from the Secretariat of Medical Ethics;
- (b) The Chief of the Office of Inspection of Pharmacies;
- (c) The Director of the Chemical Institute;
- (d) The Director of the Bacteriological Institute; and the following alternate members:

- (1) A physician from the Secretariat of Health and Social Relief;
- (2) A pharmacist from the Pharmacy Inspection Section;
- (3) A representative from the Chemical Institute; and
- (4) A representative from the Bacteriological Institute.

The Argentine Pharmaceutical and Biochemical Federation, the manufacturers of drugs and medicinal specialties, and the manufacturers of organotherapeutic products will also appoint one member each to the Commission, the president of which will be appointed annually from the members by the president of the National Department of Hygiene. Until the Commission functions normally, he may increase the number of its members by additional appointments from the agencies cited.

The functions of the Commission are as follows:

- (a) To fix the schedule of fees to professionals charged with the preparation of medicinal preparations for human and veterinary use; and
- (b) To establish schedules of maximum retail prices for medicinal preparations and diagnostic products for human and veterinary use. For this purpose, account will be taken of the following factors:
 - (1) Cost of drugs and raw materials according to basic prices fixed for same at the source by the Commission in the case of domestic products, and by the customs valuation in the case of imported products;
 - (2) Cost of containers, labels, and fiscal stamps;
 - (3) Cost of manufacturing and general overhead, established by a sworn statement and supported by balance statements and other documentation which the Commission may deem necessary; and
 - (4) The percentage allowed for advertising, which may not exceed 20 percent of the totals reached under paragraphs 1, 2, and 3 above.

The Commission will maintain up-to-date registers of national manufacturers and importers or representatives, with records of all movement of drugs, chemical products, specialties, etc., their respective marks, quantities produced or imported, the stability of their quality, the date of expiration of their effectiveness whenever applicable, cost data, and other information which will indicate at all times the distribution of all products and preparations. Wholesale druggists, pharmacies, laboratories, and other establishments engaged in fractional packaging or preparation of professional formulas, specialties, and the like, must maintain a complete account of the source of origin of the products which they use, the unit price, mark, date of acquisition, and of consumption or other destination. These accounts must agree with the stocks as to quantity, quality, and mark of product. For specialties prepared in Argentina in accordance with formulas of foreign companies, the cost price will be adjusted by taking as prices of the basic ingredients the customs valuations and documentation showing the real cost in the case of imported ingredients, and the prices at source of production in case of domestic ingredients.

Manufacturers, representatives, agents, wholesale druggists, drug warehouses, laboratories, and similar establishments must sell their medicinal products, whatever their nature, exclusively to established pharmacies, and

may not create exclusive representations or other connections which might imply preference for specified pharmacies.

The Department of Hygiene will establish the minimum equipment which laboratories preparing medicinal specialties must have on hand; and will also draw up a list of medicinal specialties which can not be prepared with such minimum equipment, and are considered as therapeutic products of evident necessity for urgent needs as established by current practice. Every authorized pharmacy or drug store must keep the products on this list in stock. Manufacturers or representatives may request the incorporation of a product which they make or represent in the list of products considered necessary and not susceptible of preparation, but must furnish documentary evidence to justify its inclusion in the list. The National Department of Hygiene may reject the product, but must give a definite reason for its rejection.

The distribution of medicinal specialties in bulk or in containers other than those expressly authorized by the National Department of Hygiene is prohibited.

Commercial establishments and importing agents of X-ray films for medical diagnosis must present within 15 days of the promulgation of this decree (by October 5, 1943) a sworn declaration of their stocks and the cost thereof, as indicated by the customs valuation on the day they were cleared through the customs, and other substantiating data.

Revision of Licenses: The National Department of Hygiene will proceed, through the newly established Commission for Valuation and Control of Medicinal Products, to revise progressively all approved certificates for medicinal specialties issued prior to September 15, 1943, and will invalidate the licenses for all specialties which do not have a scientific value and which do not fulfill a therapeutic need.

The Commission may reject a new specialty when others, which are analogous, are already registered.

From time to time, samples may be requested from stocks of producers, concessionaires, or sellers, with which the Commission will make qualitative and quantitative analyses to determine whether the composition agrees with that registered and authorized by the National Department of Hygiene. If the analysis indicates that the product does not correspond to the authorized formula, the license will be automatically canceled and penalties prescribed by the penal code will be imposed. (The foregoing provisions have long existed in the Argentine basic regulations for the registration, importation, and sale of medicinal and pharmaceutical preparations.) Samples removed from the trade for analysis must be replaced, without charge, by the producer, importer, or representative, upon presentation of a receipt issued by the National Department of Hygiene at the time the samples are taken.

When a new product is presented for approval it must be accompanied by documentation establishing the real cost

price and an estimate of the retail price. The commercial names adopted for specialties may not set forth nor make allusion to any specific physiological action. The operation of fractioning of drugs and specialties of foreign origin is subject to the same control as applies to Argentine products, as regards the preparation itself, as to the method by which the fractioning is carried out, and with respect to the technician in charge of the operation.

Labeling Requirements: Medicinal specialties will be classified according to their composition into two groups as follows: (a) For free sale; and (b) for sale under prescription. In all cases the label must indicate, in clearly visible form, the type of sale authorized, as well as the retail price set by the Commission.

Opothropic specialties must show on their inner and outer labels their complete and exact formula.

The addition of the words "pure" or "purest" to the name of any medicinal preparation, in cases where the words are not applicable or would imply superiority, is prohibited.

The word "innocuous," which implies harmless action without certifying the specific curative property for a determined disease, is prohibited on all medicinal products.

The inner and outer labels of medicinal preparations having a limited period of efficacy must show the date of preparation and of expiration of the curative or useful action, also the precautions which should be taken for the conservation of the product.

Price Control: The retail prices will be fixed by the Commission and will be uniform for the entire country, but will not apply to exports. Products imported in their final containers must be sold at the basic price determined by the customs valuation and documents indicating the real cost. For imported products which are divided and repackaged in Argentina, the cost of the container and stamp charge will be added to the real cost of each unit. The retail price will become effective for each product 30 days after the price is set by the Commission.

For purposes of fixing the price, producers must present, in the order of preference, the list of specialties which they prepare. Price fixing will be done by the Commission proportionately to the number of products presented by each manufacturer.

After the 30-day period following the establishment of the price for a given product, the manufacturers, importers, or representatives must exchange the products approved, and credit the pharmacies or wholesale druggists with the corresponding price difference. Pending the effective date of fixed prices, pharmacies will maintain the prices obtaining up to that time.

The retail price set by the commission may not be discounted in any way, either for quantity purchases, for special terms of payment, or for compensation of any kind.

Limitation of Profits: The Commission, after establishing the real cost

of a product, will add 20 percent as net profit to the manufacturer, and successively 13 percent additional for the wholesale druggist, and 30 percent for the pharmacy. These percentages will be calculated progressively on the respective costs, and will include freight and packing charges for the account of the manufacturer or the wholesale druggist, whichever makes the shipment. The sales price of the wholesale druggist will apply on direct sales from the manufacturer or the representative to the pharmacy.

On medicinal preparations having limited periods of efficacy, the net profit allowed the manufacturer is 25 percent, but he must exchange the product free of charge when it ceases to be effective.

On imported specialties the representatives will be allowed a net profit of 6 percent.

Circulation of Free Samples Prohibited: The circulation of free samples for whatever use is prohibited.

For the purpose of introducing new products which need to have their efficacy made known, the National Department of Hygiene may authorize consignments of a specialty, free of all cost and packed in original containers, to those services and other charitable hospital establishments specializing in the diseases for which the products are intended. In each case, however, the Bureau of Internal Revenue will be notified for the collection of internal taxes, and the amount that may be given away without charge will be fixed by the Department of Hygiene.

The containers of these products must have an outer cover on which the words "Gratis para Hospitales" (Free for Hospitals) must appear, together with a numeration of the units destined for that purpose. These products must be delivered to the pharmacies of those establishments, or if they have no pharmacy, to the administration office, and a special account of the use of these samples must be kept with the corresponding physicians' prescriptions. After 6 months of experimentation, the authorization for this procedure will cease automatically. Infractions of these provisions regarding samples will be punished by a fine of 500 pesos or suspension of employment, and, in case of a second offense, by the cancellation of the circulation of the product.

Laboratories and wholesale druggists may donate their products to hospitals and other charitable social establishments after prior authorization of the National Department of Hygiene. This authorization will be granted only when it does not involve concealed propaganda which would be detrimental to other similar products, and where the medication may replace another or it constitutes something therapeutically new. The procedure in these instances is the same as mentioned in the preceding paragraph.

The decree empowers the president of the National Department of Hygiene to extend all periods of time specified in the decree.

[These regulations are in addition and complementary to those outlined in the cir-

cular F. T. No. 259, dated February 8, 1940, "Argentina—Regulations Governing the Registration, Importation and Sale of Medicinal and Pharmaceutical Preparations and Allied Products," and to those announced in FOREIGN COMMERCE WEEKLY of October 16, 1943. Since the Argentine customs valuations are to be considered in fixing the price of imported pharmaceutical products, the American Republics Unit, Bureau of Foreign and Domestic Commerce, will be glad to advise exporters of the customs valuations applying to their products. Inquiries may be addressed directly to the American Republics Unit, Bureau of Foreign and Domestic Commerce, Washington 25, D. C., or to any of the Field Offices of the Department of Commerce.]

Belgian Congo and Ruanda-Urundi Tariffs and Trade Controls

Tire-Retrading and Repair Supplies: Import Duty Reduced.—A reduced import duty of 5 percent ad valorem was granted in Belgian Congo and Ruanda-Urundi for specified supplies for retrading and repairing pneumatic tires, effective from February 24, 1943, by ordinance law No. 61/Fin. Dou. of February 24, published in the Bulletin Administratif of February 25.

The supplies to which the reduced rate applies are: (a) Bands and sheets of rubber, not vulcanized and not cut to size; (b) prepared pieces, composed of several thicknesses of gummed cloth embedded in a mass of nonvulcanized rubber; and (c) special glues to assure adhesion of the above-mentioned products when vulcanized.

(The regular import duty on rubber manufactures, except shoes, is 18 percent ad valorem, and the rate on finished tires is 5 percent ad valorem.)

Import-License Fee Fixed; Formalities for Obtaining Licenses.—An import-license fee of 0.20 percent, calculated on the amount of foreign exchange for im-



portation covered by each license and payable at the time the exchange is granted, was fixed in Belgian Congo and Ruanda-Urundi by ordinance No. 44/Appro. of February 10, 1943, effective from February 15, and published in the Bulletin Administratif of February 10.

Formalities for obtaining import licenses and exchange permits were announced in a series of Notices to the Public published in the Bulletin Administratif of April 2, 10, and 25, 1943.

[See FOREIGN COMMERCE WEEKLY of December 11, 1943, for announcement of revised import license and exchange control.]

Bolivia

Exchange and Finance

Sale of Foreign Exchange by Banks Restricted.—The Ministry of Finance has issued regulations restricting the sale of foreign exchange by banks, and is preparing a list of nonessential imports for which exchange will not be made available. It is estimated that this will result in a reduction of from 20 to 30 percent in the sale of exchange, compared with earlier months of the year.

Restricting sales of exchange by banks is effected by the fixing of quotas. Quotas for banks totaled \$1,000,000 in November 1943, compared with an average of about \$1,500,000 per month during the first 10 months of the year. No quota is fixed for the Central Bank, but that institution also is reported to be limiting its sales of exchange for imports.

Brazil

Transport and Communications

Railway Receipts.—The 1942 receipts of the Great Western of Brazil Railway Co., Ltd., which serves the eastern bulge of Brazil, are reported by a foreign technical publication to have reached the highest level since 1929.

Tonnage of the two principal crops,

sugar and cotton products, amounted to 1,264,422 tons, a decrease of 268,426 tons compared with 1941, but receipts from other traffic substantially advanced.

Canada

Economic Conditions

Important changes in the price-wage control system, the adoption of a new labor code, the leveling out of production in munitions-making industries, and the success of the Fifth Victory Loan campaign have been the main features of business in Canada in recent weeks.

IMPORTANT CHANGE IN WAGE CONTROL ANNOUNCED

On December 10, the Government made public its long-awaited action on the labor and wage situation resulting from the extensive inquiry conducted during the summer by the National War Labor Board. The present form of wage control which tied in wage bonuses with the official cost-of-living index will be dropped. The cost-of-living bonus presently being paid will be continued on the November 15 basis, but it will be added to, and become part of, basic wage rates, and no further increase in the bonus will be granted.

The change represents a new attempt to deal with the rise in production costs which has been making it difficult to operate under price ceilings without payment of price-control subsidies. "The Government believes," said the Prime Minister in an advance announcement of the new order, "that by holding the cost of living at the present level it will afford a more adequate safeguard of the basic living standard of labor than was provided by the cost-of-living bonus. If the cost of living rises more than 3 percent and remains at that level for 2 consecutive months, the Government will review the whole program of price control and take appropriate action."

NATIONAL LABOR BOARD ENLARGED—POWERS INCREASED

The new regulations place the primary responsibility for stabilization of wages directly on the shoulders of an enlarged National War Labor Board which will have "direction and control" over regional boards and is the latest development in the Government's attempt to check increasing demands for higher wages.

The Board will no longer be bound to apply a standard of comparing wages in one plant or industry with those in other plants or industries, but will take as the standard the removal of "gross inequalities and injustices." In this connection, national and regional boards have been given the power to order decreases in wage rates which such boards may find to be unsound or to create "gross inequalities."

Regulations designed to prevent indirect remuneration of employees through bonuses or loans also are tightened, although Christmas bonuses are still legal, provided they do not exceed \$25. An incentive wage system may, however, be

introduced where it will increase production without increasing the production cost per unit.

In announcing the new regulations the Prime Minister pointed out to labor that notwithstanding the previous wage controls, War Labor Boards, during the past 2 years, had dealt with 40,000 applications for wage adjustments affecting 2,500,000 workers, and had granted an increase of more than \$150,000,000 in payments to wage earners.

COLLECTIVE BARGAINING, ARBITRATION OF LABOR DISPUTES COMPULSORY

Also announced, was a new labor code to provide for compulsory collective bargaining, compulsory arbitration of disputes, and the establishment of improved machinery for determining the bargaining agency in cases of jurisdictional disputes. Penalty clauses for violations of the collective bargaining regulations of the new order are more severe than those previously in effect. Jail sentences as well as fines now may be imposed on employers or employees found guilty of infractions. It becomes a violation of the order for an employer to cause a lock-out in an effort to prevent his workers from making an application to a labor board; and workers who strike for higher wages than those ordered by the board or in protest against a board order are subject to stiff penalties.

WAR PRODUCTION FLATTENING OUT

It seems fairly clear now that war production has reached its peak. Munitions output is still at a very high level, and two large-scale war-industry projects—synthetic rubber and aviation gasoline—are only now coming into full operation. Nevertheless, some tapering off in war production is in progress, as cutbacks in several types of equipment have been made. Some contracts for Liberty-type cargo vessels have been canceled. Production of guns and ammunition has been curtailed. In line with the reduction in ammunition output, the explosives program has been cut.

Curtailment in the production of cargo ships, ordnance, and shells makes more steel available for such essential equipment as railway rolling stock and agricultural implements. A limited easing of restrictions on the use of metals is being made to supply essential civilian and export needs. Restrictions on the use and exportation of heavy steel employed chiefly in the construction of buildings, bridges, towers, and tanks, and on machinery installations, have been lifted. Builders need no longer obtain permits from the Steel Controller to purchase the structural steel types now on the open market, but, because of manpower and other materials shortages, they still need a license from the Construction Controller to build a plant costing more than \$2,500 or any other type of building costing more than \$500.

Aluminum scrap is being released for the production of consumer goods. Some of Canada's large capacity for the production of explosives has been converted to the manufacture of fertilizers.

In the textile industry, more plant capacity has been released to relieve the

Finland's "Share the Room" Proposal

Recent reports from Finland say that building construction is practically at a standstill in the northern Republic (whose entire economy is being gravely affected by the continuing war with the Soviet Union), and that in the larger cities the housing situation is taking on the aspect of a genuine crisis.

This distressing shortage of available rooms to rent has reportedly caused the Helsinki Government to consider a scheme whereby people in possession of large apartments occupied by only a few persons would be required, by official orders, to rent part of their rooms.

shortage of civilian goods, now that military orders have slackened and ample stocks for the armed forces have been built up. Adequate supplies of raw wool and cotton are available, but production of a larger volume of civilian goods depends on getting more workers. Labor shortages are the main problem in cotton-textile mills where output in October was the lowest for any month since the beginning of the war.

LIQUIDATION OF SURPLUS WAR MATERIALS

Looking toward the future and the transition from war to a peacetime economy, plans have been formulated to dispose of surplus war materials. A Crown Assets Allocation Committee is being established to obtain information from all Government agencies regarding actual or prospective surplus materials, equipment, and plants; to advise the cabinet on their retention, use, or disposal; and to study the effect, on the Canadian economy, of the disposal of particular assets either at home or abroad. Findings of the committee will be made to the cabinet through the Minister of Munitions and Supply, head of the war procurement agency. Final responsibility for decisions on policy regarding the disposal of assets will rest with the Cabinet.

Actual disposition of surpluses will be carried out by a Government company, War Assets Corporation, Ltd., which is being set up to hold, operate, or sell the property turned over to it. War Assets Corporation will be assisted by advisory committees which will furnish advice on problems in their particular field. As war needs slacken, the new materials and properties held by other wartime Government companies will be turned over to War Assets Corporation for disposal. Eventually the new company will be dealing with such assets as stockpiles of raw materials, Government-owned machine tools, machinery and war plants and the surplus equipment and properties of the armed forces.

"Establishment of Government machinery to dispose of war surpluses," the Prime Minister said, "should help to relieve the anxieties of those who are apprehensive lest unneeded war materials should be liquidated suddenly and without consideration of the effect generally on the national economy and particularly on employment."

PRODUCTION OF FOREST AND MINING INDUSTRIES RESTRICTED BY LABOR SHORTAGES

While the over-all position is still one of manpower shortages, the lack of adequate labor forces is most pronounced in the forest, base-metal, and coal-mining industries. There are not enough workers in the bush to cut the pulpwood required to fill the increased demand for pulp products. The squeeze on supplies has brought additional control measures in Canada.

Manufacture and sale of paperboard shipping containers have been placed on a priority basis to provide adequate packaging for munitions and essential foods. Use of paper boxes for wholesale and retail deliveries and for packaging footwear, cosmetics, and a number of

other articles has been placed on a quota basis. Paper used for printing business forms, catalogs, books, direct mail advertising, and other printed matter has been placed under a permit system to conserve paper stocks. Because of the inadequate supply of wood pulp, in both Canada and the United States, further cuts in newsprint usage in the United States are forecast for the first quarter of 1944. This curtailment will affect the operating rate of Canadian newsprint mills which supply a large percentage of American newsprint requirements.

STRIKE IN WESTERN COAL MINES

Over the past few months coal production has been improving slightly, though output is still handicapped by manpower shortages. This modest improvement received a set-back in November when 8,500 miners in Alberta and British Columbia went on strike for an increase in wage rates. After a 12-day stoppage, the miners returned to work after a substantial part of their wage demand had been granted. The pay increase was passed along to consumers when higher prices for western domestic coal were authorized. The alternative of using subsidies was rejected, the Government believing it better to let the cost of living rise rather than to use subsidies to offset the wage increase. Other difficulties with coal production and coal prices are in prospect. Miners in the Nova Scotia pits are seeking a retroactive pay increase, with a strike threat in the offing if their application for higher wages is not granted.

ALUMINUM WORKERS RETURN TO JOBS

The 2,000 workers who went on strike at the aluminum plant in Shawinigan Falls returned to work after the Quebec Provincial Government established boards of inquiry to investigate working conditions at the plant. The controversy centered on the number of aluminum reduction pots that each worker is expected to tend, a winter-schedule change from 7 to 8 pots precipitating the shut-down. While this dispute is being arbitrated, another commission has been appointed to settle the long-standing controversy at the Arvida aluminum plant where an AFL-affiliated union and a provincial union are each seeking recognition as the collective bargaining agent.

MINOR GAIN IN RETAIL SALES

The dollar volume of retail sales made a mild recovery in September, when consumer spending was 3 percent higher than in September 1942. This modest increase followed a decline in August when, for the first time since the war began, retail sales fell below the corresponding month of the preceding year. Nondurable goods accounted for the September rise. Sales of consumer durable goods again declined.

Department stores have not kept up their sales volumes to the same extent as retail outlets in rural districts. For the first 9 months of 1943, dollar turnover in department stores was at about the same level as last year. This represents a declining sales trend in which the



principal factor is the contraction in consumer durable goods. Sales of household electrical appliances were off by 33 percent, radios and musical instruments by 20 percent, hardware and kitchen utensils by 12 percent, and furniture and bedding by a like amount. These declines, of course, reflect restrictions on the production of goods involving the use of critical materials. Sales of nondurable goods increased. More money was spent on women's and children's apparel, toilet articles, small wares, stationery, and books than in 1942.

SUCCESS OF THE FIFTH VICTORY LOAN

Canada's Fifth Victory Loan, the largest financing operation ever undertaken in the Dominion, was an outstanding success. When the campaign closed on November 6, not only had the \$1,200,000,000 objective been exceeded, but more individuals had bought bonds than in any previous war-loan drive. Although final results have not yet been announced, preliminary returns indicated that the loan was oversubscribed by \$138,000,000. Proceeds of this issue which raised \$1,309,000,000, together with the highly successful Fourth Victory Loan offered in April 1943, will make up the deficit in the budget which is not covered by tax receipts.

EXPORT TRADE

Canada's exports in October (excluding gold) were valued at \$280,000,000. This is by far the largest total for any October in the war years. Impressive as the figure is, October's outflow of goods did not equal the year's high, dropping 14 percent below the all-time record shipments in July.

For the 10 months ended October 31, exports were valued at \$2,379,000,000, an increase of \$489,000,000 over 1942. About 38 percent of the 10 months' exports were consigned to the United States and 35 percent to the United Kingdom. The remaining 27 percent—

supplies valued at \$630,000,000—went to other countries.

Canada's imports in October amounted to \$163,000,000. Although this was a 19 percent gain over September, and a wartime peak, the month-by-month volume of imports has not varied a great deal in comparison with that of last year. For the 10-month period, imports were valued at \$1,440,000,000, an increase of only 4 percent over 1942. Some slight shifts in sources of supply have occurred during the year—a lower volume of imports from the United Kingdom and other parts of the British Empire, and more goods from the United States and other countries. In the first 10 months, 82 percent of Canada's imports came from the United States, compared with 79 percent in the corresponding period last year.

AGRICULTURE

Canadian wheat production in 1943 is now estimated at 293,700,000 bushels, compared with the high yield of 592,700,000 last year, and 299,400,000 in 1941. The fall wheat crop in Ontario is only 13,200,000 bushels as against 23,400,000 bushels in 1942. Ordinarily, only 5,000,000 or 6,000,000 bushels of such wheat are marketed for milling, chiefly for pastry flours; this year the amount was even less. Consequently, all delivery quota restrictions have been lifted on Alberta winter wheat, about 300,000 bushels of which were produced.

Every effort has been made to move grain into eastern positions before the close of lake navigation, and freight cars are being allocated to country elevators with the shortest haul, temporarily changing the usual arrangements for allotting cars. Country elevators in western Canada, however, are still congested—on November 11, they held 204,000,000 bushels of wheat and 40,000,000 bushels of other grain, as compared with 203,000,000 bushels of wheat and 30,000,000 bushels of other grains a year ago.

Effective November 15, the subsidy to wheat bought for feeding livestock was raised from 8 cents to 25 cents per bushel, but it now applies only to grade 4 Northern and to other grades equally or lower priced by the Wheat Board. This action was taken to restore the situation upset by the recent raising of the government's price on wheat to the \$1.25 base for No. 1 Northern. Little feed wheat has been coming to market recently, so the already acute shortage of feed grains in eastern Canada has been aggravated. This shortage, plus the higher price of grains, is forcing a heavy liquidation of hogs.

Restrictions on slaughterings for the domestic market have been lifted, and weekly marketings have risen to record levels—around 200,000. Packing plants are scarcely able to handle the volume, which is in addition to seasonally heavy marketings of other livestock. Consumption of more pork and less beef is indicated.

More kinds of fresh vegetables have been made subject to price ceilings, and, as a complementary measure, export permits are being required. Import permits of fresh fruits and vegetables have

New Zealand, Too, Is Short of Pennies

The United States, it would appear, is by no means the only country that is experiencing certain inconveniences today in consequence of an insufficient supply of coins of the smaller denominations. A report just received from New Zealand says that a rather embarrassing shortage of small coins, particularly pennies, has been in evidence in that Dominion in recent months.

The chief cause of this shortage is stated to be the retention (on a somewhat extensive scale) of coins as *souvenirs* by troops from other countries now stationed in New Zealand. Another contributing factor is to be found in the "odd sums" needed as a result of price orders issued by the New Zealand administrative agency that corresponds to our own O. P. A.

have been required since November 2. A Government concern, the Wartime Food Corporation, is being reorganized to pay import subsidies on fresh fruits and vegetables. The canned supply of vegetables, which has been banned from sale to retailers since July 26, was released for sale on and after November 15. Controlled distribution by the trade rather than by consumer rationing will be followed because of vast differences between areas and individuals in their requirements. (From a report from Vice Consul Katherine E. O'Connor, Ottawa.)

Wartime Commodity Controls

Amendments to the War Exchange Conservation Act, 1940.—Total prohibition under the War Exchange Conservation Act, 1940, of imports into Canada from nonsterling areas of nuts of all kinds, shelled or not, has been removed by an order in council of October 28, 1943, which amended the act according to customs memorandum issued by the Department of National Revenue, Ottawa, November 1.

As a result of the amendment, nuts of all kinds may now be imported from the United States. Similar imports from overseas sources continue to be prohibited, except under permit issued on the advice of the Shipping Priorities Committee under terms of Customs Memorandum W. M. No. 89, issued February 11 of this year and announced in FOREIGN COMMERCE WEEKLY of March 20.

An amendment to the same Act, announced in a customs memorandum of September 21, removed the total prohibition on imports of lemon, orange, grapefruit, and citron rinds sulfured or in brine, olives and cherries (sulfured or in brine, not bottled), and fruits and nuts (pickled or preserved in salt, brine, oil, or any other manner), whatever their origin.

It is suggested that owners of the

booklet, *Preparing Shipments to Canada* (International Reference Service, July 1941), record the following changes in their copies:

Delete the following items from part 1 of schedule 1:

109.—Nuts of all kinds, n. o. p., including shelled peanuts, n. o. p.

114.—Nuts, shelled, n. o. p.

105a.—Lemon, orange, grapefruit, and citron rinds, sulfured or in brine.

105b.—Olives and cherries, sulfured or in brine, not bottled.

105c.—Fruits and nuts, pickled or preserved in salt, brine, oil or any other manner, n. o. p.

Delete the following item from part 2 of schedule 1:

109a.—Peanuts, green, in the shell or not further processed than shelled.

Ceylon

Economic Conditions

Graphite Prices Reduced for 1944.—The Commissioner of Commodity Purchases has made public the prices which will be paid for Ceylon graphite by the United Kingdom Ministry of Supply. Although prices have been high, graphite producers have been hopeful for an increase. The new price list, however, indicates a reduction of approximately 10 percent on crucible grade, and 20 percent and 25 percent on amorphous and fly dust, respectively. Present prices, in effect since December 10, 1942, will continue through December 31, 1943.

It is announced also that the total quantity of graphite required in 1944 will be approximately 14,000 long tons.

Exchange and Finance

Goal of National Loan Oversubscribed.—The goal of 10,000,000 rupees for a "War Savings Week," launching Ceylon's National Loan of 125,000,000 rupees, was oversubscribed in the first few minutes after the loan was opened on October 23. The goal was then raised to 20,000,000 rupees, which was fully subscribed within the next 2 hours. Finally, the target was set at 30,000,000 rupees. At the week's end, a total of 36,936,722 rupees (\$11,125,415.54) had been subscribed.

[Announcement of this loan was made in detail in the FOREIGN COMMERCE WEEKLY of November 6, 1943.]

Financial Report for October.—Estimates of revenue and expenditure for October 1943 (the first month of the fiscal year) show a continuation of the strong position that has characterized Ceylon's Government finances of late. Revenue for the month is shown as 18,587,035 rupees and expenditure as 12,622,384 rupees, resulting in a surplus of 5,964,651 rupees which may be compared with a surplus of 5,529,637 rupees in October 1942. (The Ceylon rupee is worth \$0.301202.)

Chile

Tariffs and Trade Controls

Ministers of Foreign Affairs Sign Joint Declaration Looking to Eventual Free Trade and Connection of Their National

Air Services.—The Ministers of Foreign Affairs of Chile and Peru signed a joint declaration at Lima on November 7, 1943, setting out their intention to appoint commissions to study the possibility of gradually establishing free trade between the two countries, and to have studies made looking to the connection of their respective national air services.

After their studies are finished, the national commissions will unite as a Mixed Commission to consider jointly their respective findings.

The air navigation studies are to be carried out by their respective technical aeronautics authorities, within the framework of international agreements, for the purpose of connecting the two air services and thus facilitating the transportation of passengers, mail, and cargo, for the benefit of Chilean-Peruvian trade.

Colombia

Transport and Communication

Projected Highway.—A projected highway between Cartagena and Medellin, Colombia, would open vast regions now almost completely unpopulated and would promote an exchange of products between the mountainous interior of Colombia and the coastal region. This road has been completed almost to San Juan. From there to Ovejas the road is merely a trail, but at Ovejas it joins the Magangue-Tolu highway, continuing to Sahagun. From Sahagun there are only dry-weather and horseback trails to Medellin.

Costa Rica

Economic Conditions

Further improvement in the shipping situation, in October, had a beneficial effect on Costa Rican business activities, particularly on retail trade. Suspension of work on the Military Highway had not, thus far, caused any appreciable unemployment, but instead had enabled other enterprises to obtain needed labor. The elimination of the high wages paid for highway work acted as a deterrent to inflation and had a stabilizing effect on the cost of living, which had continued its downward trend. A number of new houses have been constructed in San Jose, which, with the departure of Americans formerly employed on the Highway, should alleviate the housing shortage. Basic agricultural industries, with the exception of cocoa, were in sound condition, although exports were at a low level during October. Certain business firms in Limon were not in agreement with the prices fixed by the Junta de Abastos (General Supply Board) of that city for rice and beans, claiming that because of the low price they could not afford to deal in them. Consequently, the Province of Limon has experienced a shortage of those commodities.

AGRICULTURE

Coffee exports to the United States decreased, as compared with October

1942, but were well above the low export figure for September of this year. Exporters pointed out that the industry was in good condition, but that the month of October is a season of small exports and shipping was still inadequate for bulky commodities such as coffee.

Banana shipments had declined steadily for 3 months.

The cocoa industry was, in October, just beginning to recover from the heavy spring storms which resulted in the loss of practically the entire crop during the preceding quarter. As reported for September, the industry probably will be seriously affected until the new crop ripens in March. However, cocoa is not exported in accordance with seasonal production, since large quantities are kept in warehouses throughout the year, ready to be shipped as orders are received. September exports, although less than in August, represented an increase over those of September 1942. The higher prices paid in Mexico and Colombia have resulted in edging out other buyers.

Two large shipments of citrus fruits and garden vegetables to the Canal Zone, as well as sales to highway agencies, were made during October by the Food and Nutrition Division of Inter-American Affairs.

The United Fruit Co. recently had transferred between 200 and 300 laborers from its west coast banana plantations to its two abaca plantations at Monteverde and Good Hope, on the east coast. Slightly more than 2,000 workers are em-

ployed on these plantations, which comprise 11,500 acres and were reported to be making excellent progress.

PRICES AND COST OF LIVING

The general cost-of-living index, compiled by the National Bank of Costa Rica, continued to fall, standing at 164.3 for October, compared with 167.16 for September and 179.15 for June. Wholesale prices followed suit—the index being 163.11 for October, compared with 166.89 for September and 190.07 for May. The indexes for October 1942 were, respectively, 141.43 and 150.99.

PROPOSED LEGISLATION

A project of law was submitted to the Costa Rican Congress during October which would guarantee minimum prices for basic food products, such as corn, beans, rice, and potatoes. It was anticipated that the passage of this law would insure the farmers of minimum profits and a stable market, as well as Government assistance, which should increase to a great extent the agricultural output of Costa Rica.

Tariffs and Trade Controls

Beans Accorded Duty-Free Entry Under Prior Permit.—Beans (frijoles) may be imported into Costa Rica free of duty and customs surcharges while the state of war exists and while, in the opinion of the Secretary of the Treasury, domestic production is insufficient to meet the country's needs, according to a Presidential decree, published and effective November 5, 1943. To obtain exemption from duty prior permission must be obtained from the Secretary of the Treasury. This permit will be granted when the importer obligates himself to sell the beans immediately at a profit of not more than 15 percent of the principal value and costs, as verified by the Junta Central de Abastos (Central Supply Board).

Copra to Remain Dutiable at Higher Rate.—The Costa Rican decree reclassifying copra with a reduced duty of 0.04 colon per gross kilogram to be effective October 15, 1943, has been canceled by Presidential decree No. 70, also effective October 15, 1943. This leaves the rate of import duty on copra unchanged at 0.75 colon per gross kilogram.

[See FOREIGN COMMERCE WEEKLY of November 6, 1943, for announcement of the reclassification of copra at the lower rate of duty.]

Water Paints Reclassified at Lower Rate of Duty.—Paints in paste, to be prepared with water only, have been reclassified in the Costa Rican import tariff and made dutiable at 0.20 colon per gross kilogram, instead of 0.40 colon as heretofore, by Presidential decree No. 77, promulgated November 12, 1943, and effective January 1, 1944.

Cuba

Exchange and Finance

Budgetary Surplus.—Receipts of the Cuban regular budget during the period from January 1 to November 20, 1943,

New All-Cargo Air Line Established in Venezuela

A new all-cargo air service, Aerovias Venezolanas, S. A. (Avensa), to operate within Venezuela, has been organized and will begin operations shortly, serving interior points in that country.

The new line, to which Pan American World Airways will contribute technical guidance and in which it will have a minority stock interest, will carry air cargo on a charter basis between points in the interior of Venezuela, as far south as Santa Elena, in the vicinity of diamond fields.

Until larger equipment can be obtained, enabling Avensa to carry on more extensive operations, the company will operate on irregular schedules with three Ford tri-motor planes, a type that has proved highly successful in cargo and passenger operations in Cuba, Colombia, and Central America.

While Venezuela is the world's third-largest petroleum producer, with vast mineral and forest reserves and with a wide variety of agricultural products, much of the Republic's potential natural resources have heretofore remained unexplored because of a lack of adequate transportation facilities.

Some Striking Facts on the Gold Situation

A recent number of the League of Nations Monthly Bulletin of Statistics, published by the League Mission at Princeton, N. J., contains special tables showing world production of gold in the years 1933 through 1942, and recorded central gold reserves at the end of December 1929 and 1935 through 1942, and at the end of June 1942 and 1943, expressed in millions of old United States gold dollars.

World production of gold, outside the Soviet Union, reached a record figure of 1,130,300 kilograms (36,300,000 ounces) in 1940, declining to about 1,120,000 kilograms (36,000,000 ounces) in 1941 and to an estimated 1,000,000 kilograms (32,000,000 ounces) in 1942.

The Union of South Africa accounted for more than 38 percent of world output (outside of the Soviet Union) in 1940, Canada for more than 14 percent, the United States for more than 13 percent, Australia for 4 to 5 percent, and the Philippine Islands for 3 percent; about two-thirds of the aggregate originated within the confines of the British Empire.

Production in 1942 decreased in practically all countries, whether large or small producers, for which data are shown: there was a drop of 27 percent in the United States, of 23 percent in Australia, of 9 percent in Canada, and of 2 percent in the Union of South Africa.

No precise figures are available for the Soviet Union's production; private estimates for 1937 ranged from 136,000 kilograms (4,400,000 ounces) to 168,000 kilograms (5,400,000 ounces).

The total of recorded central gold reserves outside Soviet Russia rose from 10,246,000,000 of old gold dollars at the end of 1929 to about 18,016,000,000 at the end of 1942, an increase of some 75 percent, but was slightly lower, about 17,956,000,000, at the end of June 1943.

But whereas in 1929, 45 percent of these reserves were located in Europe and 38 percent in the United States, in 1942 no less than 75 percent were held by the United States and only 18 percent by European countries.

amounted to 101,061,000 pesos, as compared with 85,587,000 pesos during the comparable period of 1942. Cash disbursements against the 1943 receipts amounted to 92,368,000 pesos, indicating a surplus of receipts over disbursements of 8,693,000 pesos. Data on expenditures in the comparable period of 1942 are not available, but it is estimated that during that period disbursements exceeded receipts by 6,000,000 pesos.

Issue of Additional Silver Certificates and Purchases of Gold Bullion.—Decree No. 3361 of November 6, 1943, authorized the issue under the law of May 2, 1942, of an additional 5,102,050 pesos in silver certificates to be backed by \$5,000,000 in United States currency. The May 2, 1942, legislation authorized the issue of so-called silver certificates against gold, United States currency, or dollar exchange at the rate of 1 pesos for each 98 cents in gold or United States funds. The new issue of silver certificates brings the total issued under the May 1942 law to 45,918,400 pesos, and increases the total amount of Cuban silver certificates in circulation, as of November 19, to 128,949,162 pesos.

The Cuban Government, during the 2 weeks ended November 20, 1943, purchased \$5,000,000 in gold bullion from the United States Treasury. This bullion is in addition to the \$30,000,000 in gold bullion previously purchased under the law of May 2, 1942, and replaces an equivalent amount of United States currency held as coverage for silver certificates issued in accordance with the May 1942 legislation.

Tariffs and Trade Controls

Coffee: Authority for Fixing Sales Price Transferred to Coffee Stabilization

Institute.—Authority to fix the selling price of coffee in the domestic market has been transferred from the Cuban general price-fixing agency, the Office of Price Regulation and Supply (ORPA), to the Coffee Stabilization Institute, according to decree No. 3312, published in the Official Gazette of November 17, 1943. The reason for the change, says the decree, is that the regulating agency which controls the production and distribution of coffee should also control its selling price. The decree also states that previous resolutions issued by ORPA with regard to Cuban coffee will remain in effect until amended or revoked.

Ecuador

Transport and Communication

Public-Roads Developments.—The effective work of the Board of Public Roads of the Province of Chimborazo, Ecuador, established in 1937, has been recognized and the Congress of the Republic has authorized its continued operation until 1953.

In addition to the assessment already in effect to develop the system of public roads, a tax of 1 sucre will be levied on every liter of aguardiente sold in the Province.

Finland

Transport and Communication

Telephone Installations Subject to Permit.—Because of the telephone congestion in Helsinki, Finland, new installations are made only in the most

important cases and with the permission of the military authorities. At present there are more than 52,000 telephones in the city.

French Cameroun

Tariffs and Trade Controls

Gasoline and Lubricants for All Aircraft Exempted from Import Duties.—Gasoline and lubricants for use in aircraft of any kind were exempted from import duties, consumption taxes, and import (sales) taxes, upon importation into French Cameroun, by an order of November 12, 1942, published in the Journal Officiel of French Cameroun of September 1, 1943.

[A previous order of March 23, 1941, provided similar exemptions for fuel and lubricants for regular-line aircraft only. See FOREIGN COMMERCE WEEKLY of April 11, 1942.]

French North Africa

Tariffs and Trade Controls

Cumin, Coriander, and Fenugreek: Export-License Taxes Suspended in Morocco.—The collection of export-license taxes on cumin, coriander, and fenugreek shipped from the French Zone of Morocco was suspended, until further notice, by an order of August 10, 1943, published in the Bulletin Officiel of August 27.

[These taxes have been in effect since October 24, 1942. See FOREIGN COMMERCE WEEKLY of March 20, 1943.]

Clothing and Accessories: Export-License Taxes Fixed in Morocco.—Export-license taxes of 100 francs per net kilogram on ready-made clothing and accessories, shawls, handkerchiefs, turbans, etc., and 50 francs per net kilogram on second-hand clothing, were fixed on exports from French Morocco, effective October 11, 1943, by an order of October 7, published in the Bulletin Officiel of October 15.

Wood Fuels and Carburants: Supply Commission Formed in Morocco.—A Commission of Wood Fuels and Carburants has been established in French Morocco to study measures to insure the supplying of the country with wood fuels and carburants, and to coordinate the work of interested services concerned with production, circulation, consumption, prices, and organization of sale of these products, by a residential order of October 19, 1943, published in the Bulletin Officiel of October 22.

Solid Mineral Fuels: Special Production Taxes Increased in Tunisia.—The special production taxes on solid mineral fuels extracted in Tunisia were increased by an order of March 11, 1943, published in the Journal Officiel Tunisien of March 16 and effective retroactively from January 1, 1943.

The new taxes, in francs per metric ton loaded on cars at the mine, were

fixed as follows (former rates in parentheses):

Lignites size 0/7, 0.75 (0.40) franc; lignites size 7/15, 1 (0.40) franc; lignites size 15/30, 1.75 (0.70) francs; and lignites over 30, 2 (0.80) francs. The sizes given are understood to be the millimeter sizes of screens.

[See FOREIGN COMMERCE WEEKLY of August 29, 1942, for previous announcement.]

CORRECTION: Essence of Orange-Flower Water: Export-License Tax Fixed in Tunisia.—The new export-license tax on essence of orange-flower water was fixed at 8,000 francs per net kilogram (instead of per 100 net kilograms), effective from June 16, 1942, by the order of December 10, 1942, according to a correction published in the Journal Officiel Tunisien of April 8, 1943.

[This correction should be made in the item, "Export-License Taxes on Certain Products Fixed in Tunisia," which appeared in FOREIGN COMMERCE WEEKLY of December 11, 1943, page 17.]

Almonds: Export-License Taxes Fixed in Tunisia.—Export-license taxes were fixed at 300 francs per 100 net kilograms on almonds in the shell, and at 600 francs per 100 net kilograms on shelled almonds, shipped from Tunisia to any destination, by an order of April 5, 1943, published in the Journal Officiel Tunisien of April 8 and effective retroactively from June 26, 1941.

Liquid Fuels: Price Equalization Taxes Increased in Tunisia.—The special taxes on liquid fuels, to be paid by petroleum companies in Tunisia into a fund for equalization of prices, were increased for successive periods beginning July 11, 1942, by an order of March 17, 1943, published in the Journal Officiel Tunisien of April 3.

[See FOREIGN COMMERCE WEEKLY of November 8, 1941, for previous announcement.]

India

War-time Commodity Controls

Sale of American Radios Controlled.—The sale of several makes of radios, imported by the Central Government from the United States and sold to selected importers, has been placed under control by a newly enacted Wireless Sets Control Order, 1943. Every person in British India carrying on a business involving the importation, manufacture, distribution, sale, or disposal of radios is required to submit to the Secretary of the Department of Industry and Civil Supplies a statement of all radios owned or possessed by him as of October 31, 1943. Beginning with December, on the fifteenth of each month, a statement of all sets sold during the preceding month must be submitted.

A scheduled list of prices, ranging from 316 rupees to 871 rupees (\$95.18 to \$262.36) was also published. Only one set may be sold to any one person, and no one may buy a second set from another dealer. Prices are to be displayed in each shop, and records must be kept for inspection by Government officials.

Motor Vehicle Spare Parts Placed Under Control.—A Motor Vehicle Spare

Parts Control Order, 1943, published in the Gazette of India for September 18, created the post of Provincial Motor Transport Controller in each Province of British India. The order applies to a list of subdealers of spare parts approved by the various provincial Controllers, and to a list of registered dealers and scheduled distributors, who are required to sell designated spare parts for use only on vehicles declared by the Controllers to be "essential." For the time being control of dealing in spare parts applies only to five makes of transport vehicles and three makes of other vehicles (presumably passenger cars). Dealers and distributors must submit lists of their stocks with prices from which the Controllers will issue an approved price list. Records are required of all sales, and owners of essential vehicles must keep a Parts Record Sheet on which to enter all parts purchased. The new order was issued on September 16 and went into effect on November 1, although some restrictions were placed on sales prior to that date.

Fiber Products Placed Under Control.—The sale and manufacture of ropes, cords, twine, and other goods made of sisal and aloe, or both, were placed under control in British India under a Sisal and Aloe Fibre Products Control Order, 1943, issued on September 10.

All persons who wish to manufacture or sell these products must receive a registration certificate and sales license from a Controller to be appointed by the Central Government. So far, the only requirements are that those so licensed shall furnish returns of quantities which they expect to manufacture, or sell, whenever such information is required.

Control Orders for the Conservation of Jute Industry Stores, Ferro-alloys, Zinc Chloride, and Sodium Hydrosulfite.—

The Jute Industry Essential Stores Control Order, 1943, effective September 30, 1943, forbids the purchase or sale of a published list of stores essential to the jute industry, except under license granted by the Controller of Supplies in Calcutta. Reports must be made to the Controller of Supplies concerning stocks or supplies on order whenever he may prescribe.

The Ferro-alloys Control Order, 1943, dated October 5, stipulates that no person may acquire any quantity of any ferro-alloy specified in the order without the written permission of the Controller, who may be the Director General of Munitions Production, or an officer authorized by him. Every holder of stocks must submit a report of stocks on hand not later than the seventh day of January, April, July, and October, of each year, and complete records of stocks and sales must be kept.

Under the Zinc Chloride Control Order, 1943, issued October 9, no person may purchase or otherwise acquire zinc chloride except in accordance with a license granted by the Textile Commissioner, Bombay. Each license will specify the amount of zinc chloride which may be acquired and the name of the supplier from whom it may be obtained. All manufacturers, holders of stocks, and users of zinc chloride, and all dealers, are required to maintain accounts to be submitted to the Textile Commissioner upon request.

The Hydrosulfite of Soda Control Order, 1943, effective October 1, provides that no person in British India may sell or purchase sodium hydrosulfite except under a license granted by the Textile Commissioner, Bombay, who will specify the quantity and the dealer from whom it may be purchased. The Textile Commissioner may require a statement of stocks on hand at any time.



Transport and Communications

Carloadings.—Carloadings (in terms of 4-wheelers) in India during September 1943, totaled 525,402 compared with 476,363 in September 1942. This was an increase of 4.57 percent on the broad-gauge and 23.5 percent on the meter-gauge.

Spain

Transport and Communication

Railway Operations.—Ferrocarriles Vascongados of Spain carried a total of 4,500,000 passengers in 1942, an increase of 200,000 over 1941, states a foreign railway publication, and goods traffic dropped to approximately 550,000 tons as compared with 569,000 tons in 1941. Net working receipts totaled 9,900,000 pesetas.

Uruguay

Economic Conditions

Rainfall in November resulted in favorable conditions for livestock and agriculture, although reports of an outbreak of hoof and mouth disease caused some anxiety. Indications were that the new wool crop would be better in quality as well as in quantity than that for the preceding year. Uruguay's exports continued to exceed imports, resulting in further accumulations of cash balances in London and New York, and shortages of needed import supplies. Likewise, further industrialization of the country, being dependent upon imported machinery and raw materials, must await an improvement in transportation facilities. As of September 30, 1943, Uruguay's export balance amounted to \$29,494,716. Because of the influx of foreign capital, trading on the stock exchange continued at record figures with prices firm. Commodity prices continued to rise.



LIVESTOCK AND AGRICULTURE

Cattle slaughterings for the 9 months ended September 30, 1943, amounted to 1,030,146 head compared with 901,259 head for the corresponding period of 1942, and sheep slaughterings for the two periods were 972,454 head and 596,374 head, respectively. Cattle receipts at Montevideo during October were 46,122 head compared with 75,514 head for September. Prices for better grades advanced, although for average or inferior grades they weakened slightly. The national slaughterhouse made 70 percent of the purchases. Sheep receipts for October were 186,351 head compared with 131,258 head for September.

A project to import 30,000 head of cattle from Argentina was approved, and the slaughter of cows was restricted.

The condition of farm lands was excellent as a result of rainfall during November. Corn and sunflower planting was increased because of greater domestic demands. There were no reports of any agricultural pests.

It was announced that 9,904 hectares (1 hectare = 2.471 acres) had been planted to potatoes, and the Minister of Agriculture was authorized to spend up to 20,000 pesos for more seed potatoes. As a result of Government encouragement, the new potato crop will provide plenty of cheap potatoes for domestic consumption for at least 5 months.

MANUFACTURING

While there was no decline in the activities of the textile mills, export orders assured them of capacity operations for a long period; domestic demand was less because of the approaching summer season. Scarcities of supplies reduced domestic cotton-textile production, and imports from Brazil and the United States were authorized. It is reported, however, that Brazil obtains better prices in the South African market, and Uruguay also would rather sell in that market than supply the home demand. A much-needed shipment of mercerized yarns arrived from the United States, but a shortage of rayon continued.

The prospects for better leather were somewhat improved, receipts of hides having been superior to those formerly received from drought-affected animals. One-shift-daily tanning operations were sufficient to supply the leather required locally by the shoe manufacturers and to satisfy the small export demand.

Shoe manufacturers were fairly active on orders for the summer season, and because of the optimism of the farm population the demand for shoes from the interior was greater, but collections were slow.

Improvement in the glass industry continued, the demand for common glass containers having greatly increased. Despite the general rise in the cost of living, orders for certain luxury items for the holiday season were also anticipated. Prices for glass of all kinds remained relatively slow, competition in the industry reducing profits to a minimum. Shortages of fuel oil affected the industry adversely.

The depression in the hat-manufacturing industry continued.

DOMESTIC TRADE AND PRICES

The approach of summer caused improvement in retail trade, particularly in summer clothing lines, and department stores were optimistic about the forthcoming holiday season.

The official general index of the cost of living in Montevideo for October was reported to be 129.39 compared with 126.3 for September. The advance in October brought the index more in line with actual price trends.

The price of potatoes was finally broken by the combination of the new domestic crop and continued imports from Argentina. The price for the latter product was fixed at 15 centesimos per kilogram, but Uruguayan potatoes sold for 20 centesimos per kilogram. Meanwhile a shortage of rice developed, resulting in higher prices for this commodity.

Prices for the 1943-44 wheat crop were fixed as follows: December and January, 6.65 pesos per 100 kilograms; February, 6.72; March, 6.79; April, 6.86; May, 6.93, and increasing thereafter by 7 centesimos per month until November when the price will have reached 7.35 pesos per 100 kilograms.

Increases in telephone and gas rates have been requested by those utilities.

A new plan for rationing kerosene was expected to be declared operative on December 1.

The entire stock of sisal twine was expropriated, and the Minister of Agriculture arranged to import more from Argentina.

EMPLOYMENT AND LABOR

The Government intervened in three separate labor disputes and arranged for the resumption of work in a tannery, a textile mill, and a noodle factory. On November 15 and November 16 there was a taxicab strike in Montevideo. The railway union threatened a strike if its wage demands were not met. The Minister of Industries and Labor was authorized to fix minimum wages for domestic servants, and Montevideo was reported to be contemplating a minimum wage of 65 pesos a month for city employees. Legislation establishing a wage board was voted by the congress.

CONSTRUCTION ACTIVITY

Although the decline in building in Montevideo is only slightly worse than in 1942 (11,325,000 pesos and 12,321,000 pesos for 10 months of 1943 and 1942, respectively), the situation, compared with 1940 and 1941, is bad, and the government's efforts to aid construction have so far proved ineffective. Recent increases in imports of concrete reinforcing bars have also had little effect, resulting in the conclusion that the city is for the time being overbuilt, and that funds are lacking for further improvements. Building permits issued in October in Montevideo totaled 466 valued at 1,377,343 pesos compared with 474 valued at 1,189,389 pesos in September.

Tariffs and Trade Controls

Reclaimed Rubber and Material for Retreading; Sales Restricted; Declaration of Stocks Required.—Reclaimed rub-

ber and materials for retreading were included in the rationing provisions established in the decree of August 16, 1943. Sworn statements covering stocks of these articles and new statements covering stocks of raw and used rubber were required as of October 31, 1943, by a Uruguayan decree of October 29, 1943, published in the Montevideo newspaper "El Dia" of November 4.

[For announcement of the decree of August 16, see FOREIGN COMMERCE WEEKLY, October 23, 1943.]

Imported Tin: Maximum Prices Established.—The price within the Department of Montevideo for imported tin delivered by dealers to consumers was established at 4 pesos per kilogram, less 5 percent discount, by a decree of November 5, 1943, published in the Uruguayan Diario Oficial of November 10. Prices in other departments of Uruguay will be based upon the Montevideo price, plus the cost of transportation.

[For announcements of restrictions governing tin and tinplate, see FOREIGN COMMERCE WEEKLY of November 21, 1942, and October 9 and December 4, 1943.]

Work Together Economically!

(Continued from p. 4)

An Area Racked and Reeling

The case can be made pretty clearly if we consider the problems presented by a hypothetical country located somewhere in Europe.

Years of intermittent bombing and shelling will have seriously crippled its industry, lack of fertilizers, feed, and labor will have materially lessened its food production, its rolling stock will be either destroyed or so battered and scattered in other parts of Europe that it cannot be utilized.

A large portion of its population will be undernourished; many of its young men who will have been inmates of prison camps for years will not be immediately useful. Housing will be inadequate, disease and pestilence will be widespread.

The banking system will have been gutted, the currency system will have no significance, and the credit of the government will be represented by an appalling total of meaningless debit figures.

One could go on with many more details, but they would serve no useful purpose.

New Start Needed

It is hardly a picture to attract private investment capital. To pile new governmental credits on top of the existing meaningless structure would serve no useful purpose. The more we attempt to sort out past obligations the longer will real reconstruction be delayed. No piecemeal measures can possibly meet the problem. If we look at the situation as something entirely new, if we decide that a productive new customer

is well worth helping and developing, we will find our basis for intelligent investment.

No orthodox scaling down of old obligations, no new inflation of meaningless currencies, will do the job. The people of this stricken country must have a really new start. They will work and work well when they have tools to work with, when they can look again with confidence on their own crops growing in their own fields. They will pay in goods and services for all their needs as soon as they themselves are able to again produce goods and services, but they must be given help and time before new or old orthodox financial relationships can be established.

Production Must Be Restored

It appears obvious that before we can discuss international private investment we must first help to create a basis for investment. The cost of war does not stop when the guns stop firing, it continues until the survivors of war are fully restored to useful productive pursuits.

We must come inevitably to the conclusion that *everyone* pays for wars—winners, losers, neutrals. No one has been able to devise a formula which can fairly assess the cost, no one has found a method for measuring an individual's or a nation's contribution to victory. How do you evaluate human life? How can you capitalize a lost generation? Let us not forget those things when we have earned our victory.

Let us remember that the future must be for the living and for their sons and daughters. Let us recognize the fact that one peaceful productive customer able to purchase our goods and able to sell his own is worth more than any collection of defaulted obligations, no matter how astutely they may have been originally conceived. Men buy when they have the means of purchase, they pay when they have the means of payment.

Tools for Creative Effort

Let us take a quick look at the vicious circle. The inhabitants of a given region are impoverished by war, or for various reasons are known as backward. This often means that they are so busy obtaining not quite enough to eat that they have neither time nor energy to do much else. If they produce no surplus which they can exchange for the products of other men, they have no means of payment. If they have no means of payment, they cannot get credit; if they cannot obtain credit or purchasing power, they have no way of acquiring modern tools, and so it goes round and round.

Russia without tools, and without the widespread knowledge of how to use them, was a backward giant. Twenty-six years of tooling up and education produced the Red Army and most of the industrial plant which has served it. China without tools was many people exchanging the products of their labor for the mechanized products of a few men with tools. China *with* tools will be the



vitalizing civilizing force of Asia. Brazil without tools was a vast area of largely undeveloped resources; Brazil *with* tools can produce necessities and luxuries for many times its present population.

We have here mentioned only a few examples—they can be offered almost indefinitely.

Paper Values, Human Values

Existing financial mechanisms and symbols ignore the fact that many of the values they purport to represent have been wiped out by two world wars. They ignore the obvious fact that during the past 40 years men have learned how to do many things which had baffled them since the dawn of history. If some men have been able to develop these amazing new tools, other men should certainly be able to devise financial mechanisms and bookkeeping methods which will encourage the widest and speediest use of the new tools of plenty.

When we instruct our economic representatives at the peace tables, let us remind them of these things. We must tell them that we know the difference between human values and paper values. We must tell them that this time we really want peace and that we are willing and eager to do more than our share to obtain it because leaders always must do more than those who merely follow. We must tell them that in the economic field nations have proven to us that they can work together in war—and that we demand that they work together to maintain peace.

A Little Nazi "Requisitioning"

A fugitive just arrived in England from occupied Holland says the Germans have requisitioned 120,000,000 guilders' (about \$64,000,000) worth of textiles for the current year. The quantity requisitioned represents material required for about 300,000,000 clothing ration coupons. As a result it was doubtful whether any textiles would be left for the use of the population.

News by COMMODITIES

Automotive Products

1944 LICENSE PLATES AVAILABLE IN PANAMA

Automobile license plates for 1944 were expected to be available for distribution in the Republic of Panama shortly after December 1, 1943. No plates have been issued since 1942, because the tabs for 1943 failed to arrive. The new plates were manufactured in Columbia.

In the Canal Zone, tabs to be fastened to the 1942 license plates will be issued.

Beverages

WINE FAIR HELD IN SPAIN

For the first time since 1877, a wine fair has been held in Villafranca del Panades, Spain. The fair was originally scheduled to remain open to the public from October 10 to October 25, 1943, but was extended to November 1 because of the large crowds which it attracted. The average daily attendance was between 15,000 and 20,000.

The fair was organized under the auspices of the Sindicato de la Vid of Villafranca, a branch of the State Wine Syndicate, and was subsidized by Government funds. One section portrayed the historical development of wine pressing and wine making, and various types of equipment were on exhibit. Another section was devoted to the arts as influenced by wine culture, manufacture, and consumption, and included a fairly

representative collection of posters, caricatures, quotations, paintings, and statuary. A third section was composed of stands, booths, restaurants, typical Spanish "bodegas," and similar attractions.

There were about 96 exhibitors, including the largest vintners in that section of Spain, cooperage-equipment manufacturers, bottle manufacturers, cork manufacturers, and others identified with the wine trade.

It is reported that a large amount of domestic business was transacted but that no export orders were obtained inasmuch as no foreign representatives attended.

Chemicals

USE OF FERTILIZER PRODUCTS RESTRICTED IN CANADA

Additional restrictions on potash have become effective in Canada. In the eastern part of the Dominion special permission is required for the use of fertilizers containing more than 8 percent potash.

Organic nitrogen products, such as tankage, oil meal, and similar materials are urgently needed for feeding livestock and may not be employed in the manufacture of fertilizers except under permit.

NEW CHEMICAL PLANT OPERATING IN CANARY ISLANDS

A chemical plant, under construction for some time, in Santa Cruz de Tenerife, Canary Islands, has been opened for production, and is expected to relieve the serious shortage of artificial fertilizers, so important to the economy of the Islands. It adjoins the petroleum refinery of Compania Española de Petroleos, S. A.

Apparatus has been installed for the production of highly concentrated sulfuric acid; the capacity is 40 tons daily, and possibly may be increased to 80 tons. Most of this output will be used by the plant in the manufacture of superphosphate, sulfate of potash, and other by-products used in agriculture.

Additional equipment includes ovens for burning the pyrites, an electric filter and installations for providing high-tension current, and a pumping department. All this apparatus is located in the center of the building.

Equipment for concentrating sulfuric acid for the petroleum refinery has been set up in one of the wings. Apparatus for producing nitric acid, with a daily capacity of 1 ton, is also in this wing. In another wing, machinery has been installed for producing up to 100 tons a day of superphosphate. Located on an adjoining site is apparatus for the production of sulfate of potash and hydrochloric acid.

On the basis of 40 tons of sulfuric acid, it will be possible to produce 80 tons daily of superphosphate, 18 percent; however, this would consume all the sulfuric acid. If tons of hydrochloric acid are produced daily, the output of sulfuric acid would be reduced to 30 tons. The manufacture of 10 tons a day of potash sulfate would also reduce sulfuric acid production by 10 tons. Pyrites imported from Spain furnish the raw material for producing the sulfuric acid.

SYNTHETIC RESINS USED IN GERMANY

Synthetic resins are being used in Germany for road-marking, a European chemical publication reports.

One concern is using these materials for surface marking, mixed with coloring agents, softeners, and other preparations. Additional hardness can be obtained by treatment with an acid catalyst, such as hydrochloric acid.

The wear-resistance of these resin markings is said to be good.

CHEMICAL RESEARCH IN INDIA

The Advisory Board of the Imperial Institute of Sugar Technology, India, has planned a research program which includes the manufacture of plastics and cellulose from bagasse, and the production of potash, citric acid, and lactic acid from molasses, the Indian press reports.

The Institute has also recommended the establishment of pilot plants to manufacture butyl alcohol, acetone, glucose, cane wax, and food yeast. Research had already been done on the production of these materials as well as on refined sulfur and power alcohol, it is stated.

NEW CHEMICAL FIRM ORGANIZED IN LATVIA

A new firm, known as I. G. Kontor Riga G. m. b. H., has been organized in Latvia, with a capital of 50,000 reichsmarks, a European chemical magazine reports.

The company will sell the products and represent the interests of several German chemical concerns, including I. G. Farbenindustrie, in Estonia, Latvia, and Lithuania, it is stated.

NEW CALCIUM CARBIDE PLANT OPERATING IN MEXICO

A new calcium carbide plant has been established in Mexico, the foreign press reports.

A Mexican concern, known as Carburo, S. A., owns and operates the plant, which is located in Guadalajara, an industrial center and capital of the State of Jalisco. The factory has a daily capacity of 15 tons of carbide.

Electric power and raw materials are obtained from local sources.

SALT PRODUCTION IN NEW ZEALAND

A license issued for the development of salt production on South Island, New Zealand, gives sole manufacturing rights

OURS...to fight for



FREEDOM FROM WANT

to the Latex Rubber Co., Ltd., the foreign press reports.

The project involves an area of 1,200 acres of low land which in winter is normally under water. This region has been enclosed, and the first salt is expected to be obtained in the next few months.

SOLVENT MANUFACTURE IN PALESTINE

A method has been developed in Palestine for obtaining solvents from citrus-fruit peelings, a British chemical journal reports.

Ethyl alcohol, butyl alcohol, acetone, and acetic acid are produced by fermenting citrus-fruit peelings or pulp residue from the extraction of pectin or essential oils. Yields of more than 63 percent of solvents have been obtained, it is said.

RUMANIAN CHEMICAL PLANT EXPANDS

"Nitrogen," an important producer of chemicals and artificial fertilizers in Rumania, has increased its capital from 320,000,000 lei to 480,000,000 lei, the Rumanian press reports.

The company's production of carbide has declined somewhat of late—from 3,843,705 kilograms in 1941 to 3,457,941 in 1942. Caustic soda registered a slight decrease; output in 1942 amounted to 2,545,876 kilograms, compared with 2,719,413 in 1941.

Liquid ammonia production remained almost level—1,178,735 kilograms in 1942 and 1,222,850 in 1941.

Smaller amounts of several other chemicals were produced.

NEW CHEMICAL PLANTS TO BE ESTABLISHED IN SPAIN

Several new chemical plants are to be established in Spain, a European technical publication announces.

Hijos de Luca de Tena expect to have an annual output of 100,000 kilograms of citric acid at their factory in Seville. The cyanamide plant of M. D. Reynolds, at Santander, will produce 20,000 tons annually.

Output from a new sodium silicate works at Valencia will total 360 tons a year, it is stated.

SWITZERLAND'S DYESTUFF EXPORTS DECLINE

Switzerland's exports of dyestuffs declined in 1942, reflecting increased production difficulties. Insufficient supplies of raw materials and a shortage of fuel for manufacturing purposes accounted in part for the lower turn-over. Transportation problems were also a factor.

MANUFACTURE OF CHEMICAL PRODUCTS IN TURKEY

The new sulfuric acid plant at the Karabuk, Turkey, iron and steel works has commenced operations.

Installation of additional equipment for the manufacture of other chemical products also has been completed.

SYNTHETIC-RESIN PRODUCTION IN SWITZERLAND

Considerable research in the field of synthetic resins has been carried on by

Swiss chemical concerns since the outbreak of the war, and substantial progress is reported.

Since these materials can be produced at relatively low cost and are adapted for many purposes, prospects for this branch of the chemical industry are considered good.

PLASTIC-MANUFACTURING PLANT IN U. K. EXPANDS

De La Rue Plastics, Ltd., United Kingdom, has taken over Hamman's Industries, Ltd., and its affiliated companies, a British technical publication announces.

The Hamman's group has produced principally laminated plastics, a branch in which De La Rue is interested.

De La Rue Plastics was formed in 1942 as a subsidiary company to take over the rapidly growing plastics division of De La Rue & Co., Ltd. It has a capital of £1,000,000.

Coal

INCREASED PRODUCTION IN CHILE

Chilean coal production in July 1943 rose to 209,145 tons—one of the highest returns so far recorded, says the foreign press. This figure, representing the work of 19,029 miners, was 18,319 tons more than output in July 1942, when 16,621 miners were employed.

NEWFOUNDLAND'S COAL IMPORTS

Newfoundland's coal imports in the year ended June 30, 1942, included 12,700 tons of anthracite obtained from the United Kingdom and 281,300 tons of soft coal, largely from North America, says an official Canadian publication. Of the 168,400 tons of soft coal that originated in Canada, fields near Sydney, Nova Scotia, supplied the largest portion.

SURVEY BEING MADE OF TANGANYIKA'S COAL FIELDS

The coal fields of Tanganyika, East Africa, have not yet been worked, but the Government has been asked to arrange for further investigation, says the foreign press. A comprehensive survey is now in progress, with most of the remaining work to be done in the Namwele deposits.

COAL PRODUCTION IN U. K.

Although output of coal in the United Kingdom in October 1943 averaged about 88,000 tons a week more than in September, the average weekly output was more than 216,000 tons below production in the corresponding period of 1942.

Output of salable coal in the 4 weeks ended October 30, 1943, averaged 3,908,000 tons a week, compared with 3,819,400 tons in the preceding 4-week period. These figures do not include production from opencast workings, which averaged 126,500 tons a week in the 4 weeks ended October 30, 1943, and 121,000 tons a week in the period ended October 2, 1943.

Bolivia Increases Tungsten Production for War Purposes

Bolivia is producing increasing quantities of tungsten, a strategic metal needed by the United Nations for high-speed tool steel, armor plate, and other war purposes. The country's tungsten production for 1943 is estimated at about 3,600 metric tons. This compares with 3,363.2 metric tons in 1942 and 2,676.3 metric tons in 1941.

Before the war China was the leading source of tungsten. The metal has continued to come out of that country by plane. The war, however, has increased the need.

Bolivia and other American republics stepped up their production as part of the wartime program of inter-American cooperation to develop hemisphere resources. Bolivian and Chinese production were recently reported running neck-and-neck, virtually tied for first place.

Bolivian production has been stimulated by United States loans to miners for purchase of equipment and development work. The loans are being returned through deductions from payments for tungsten produced. Contracts were signed with four large Bolivian mines and one small one. New properties have been brought into production. Improved mining methods are increasing output.

Bolivia's economy long has been dependent on tin exports. Greater development of other metals and products is being sought as a means of diversifying and strengthening Bolivian economy.

Construction

CANADIAN CONSTRUCTION FIGURES

Construction contracts awarded in Canada during September 1943 totaled \$18,751,000, a decrease from the September 1942 total of \$29,675,000, says the Dominion press. The only Provinces reporting increases in contracts for this period were British Columbia, Saskatchewan, Quebec, and Prince Edward Island, and the total increase for all of them was only \$725,000.

The types of construction showing more activity in September 1943 than in September 1942 were: Hospitals, increasing from \$670,000 to \$962,000; bridges, from \$295,000 to \$419,000; dams and wharves, from \$361,000 to \$523,000; roads and streets, from \$1,076,000 to \$3,018,000; and residences, from \$5,584,000 to \$8,251,000.

BUILDING ACTIVITY IN NEWFOUNDLAND

There has been a small building boom in the vicinity of St. John's, Newfound-

Colombian Sugar Industry's Progress

Figures recently made available show that considerable progress has been made in Colombia's sugar industry in the past few years. From being a large importer of sugar, the country is now self-sufficient and may soon even be in a position to export a surplus, declares the newspaper *El Siglo*, of Bogotá.

There are now 22 sugar factories in Colombia—2 on the Atlantic coast, 2 in Tolima, 2 in Cundinamarca, 1 in Caldas, 1 in Antioquia, and the remainder in the Cauca Valley. Of these, 17 are affiliated to the *Compañía Distribuidora de Azúcares*, a large-scale cooperative.

The sugar cooperative in 1942 produced 1,270,260 sacks of sugar. With two new mills entering production, the 1943 estimate is 1,450,000 sacks. In 1934 the sugar industry produced 600,000 sacks.

The annual average domestic consumption in Colombia in the years from 1939 to 1942 was 1,150,000 sacks. As the per capita consumption has hitherto been low, there would seem to be plenty of scope for the growth of the industry, quite apart from export possibilities.

land, this year. By the end of October, 380 building permits and 1,250 repair permits had been issued, compared with 210 building and 886 repair permits for 1942. Most of the permits were for detached homes.

The average value of new construction in 1942 ranges between \$4,500 and \$5,000, an increase over last year's \$3,100. Higher cost of materials is largely responsible for this jump.

DECREASE IN CONSTRUCTION, UNION OF SOUTH AFRICA

Running contrary to other industrial activities in the Union of South Africa, building construction has been rapidly decreasing. For the year ended June 30, 1943, the value of civilian building plans approved in 13 cities of the Union was only £4,361,201. This was less than half of the preceding year's total and less than a fifth of the 1936-37 total of £24,000,000.

The building trades are attributing much of the decrease to wartime restrictions and controls.

CONSTRUCTION DECLINE IN URUGUAY

Building permits issued in Montevideo, Uruguay, during October totaled 466, valued at 1,377,343 pesos, compared with September's total of 474, valued at 1,189,389 pesos. Construction activity has been decreasing since 1940, and neither the recent increases in imports of concrete reinforcing bars nor the Government's efforts to aid construction have halted the decline.

Electrical Machinery and Equipment

IMPORTS OF ELECTRICAL EQUIPMENT, BRITISH GUIANA

The value of electric equipment imported by British Guiana was greater in 1942 than in 1941, says the foreign press. Insulated electrical wire and cable imports decreased by \$7,484 in 1942, however.

The following table gives in detail the value of electrical equipment imported from the United States and Canada during 1942, as well as the totals for 1941 and 1942:

Electrical-Equipment Imports of British Guiana

Type of goods and country of origin	Value	
	1941	1942
Insulated electrical wires and cables, total.....	\$49,677	\$42,193
Canada.....		34,457
Electrical goods other than radios and cooking and heating apparatus, total.....	117,590	126,103
United States.....		60,295
Canada.....		51,347
Electrical machinery, total.....	126,559	155,452
United States.....		99,974
Canada.....		48,660

USE OF ELECTRICITY CURTAILED IN ICELAND

Because of the power shortage in the city of Reykjavik, Iceland, the use of high-demand electrical appliances has been prohibited between 10 a. m. and 12 a. m., except in cases of emergency. Lights in homes and offices are dimmed during these hours.

The Ljosafoss power plant is awaiting the arrival of parts before starting to operate.

PERU'S NEW HYDROELECTRIC PLANT

A new hydroelectric plant at Chancana, Peru, is reported to have been completed. This plant, costing about 1,000,000 soles, has a capacity of 3,200 horsepower, a 58.10-meter water head, and a 10,000-liter-per-second intake. The channel capacity is sufficient for the installation of an additional 6,400 horsepower hydroelectric plant as soon as the Inata Dam over the Chili River is finished.

Foodstuffs and Allied Products

Coffee and Cocoa

BRAZIL'S PROSPECTIVE COCOA CROP

Brazil's 1943-44 cocoa crop is expected to be between 1,700,000 and 1,800,000 bags of 60 kilograms each, according to the Cocoa Institute of Bahia.

Arrivals of cocoa at the port of Bahia in October 1943 totaled 201,928 bags, compared with 134,890 bags in October 1942.

VENEZUELAN COFFEE DEVELOPMENTS

The 1943-44 Venezuelan coffee crop, harvesting of which was begun in December, is officially estimated at 550,000 bags of 60 kilograms each (1 kilogram = 2.2046 pounds), which is substantially below the 650,000 bags harvested in 1942-43.

In conformity with the Ministry of Agriculture's efforts to improve the quality of Venezuela's coffee exports, two coffee-washing stations have been opened in the Andes area. Under this plan, a larger proportion of Andes coffee will be of the washed type, which is particularly in demand abroad.

As a result of a new decree, exporters are now required to report coffee stocks by qualities and weight, instead of by weight only, as heretofore.

Fish and Products

EIRE'S FISH INDUSTRY

The total catch of sea fish of all kinds in Eire during the 9 months ended September 30, 1943, amounted to 171,877 hundredweight (1 hundredweight = 112 pounds) valued at £335,425, compared with 152,475 hundredweight, valued at £284,142 in the corresponding period of 1942. The total catch of shellfish during the first 9 months of 1943 was valued at £381,681 compared with £314,386 in the 1942 period.

In August 1942 more than 100,000,000 mussels were transplanted in Dingle Bay, and it is stated that the Mussel Purification Station, which was set up by the Irish Sea Fisheries' Association, commenced operations early in October of this year—about 2 weeks before the usual time. There is said to be a keen demand for mussels in England, and a single British firm is reported to have bought this year's entire output. Prices, according to reports, are substantially higher than those which prevailed in 1942.

VENEZUELAN FISH INDUSTRY

The Venezuelan fishing industry, according to data released by the Ministry of Agriculture, was very active during the first quarter of 1943 and plans for further expansion are under way.

Total output for the first 3 months of 1943 amounted to 10,093,300 kilograms (1 kilogram = 2.2046 pounds), of which fresh fish accounted for 4,131,400 kilograms and salted fish for 5,961,900 kilograms compared with 6,407,700 kilograms in the corresponding period of 1942, which included 3,070,500 kilograms of fresh fish and 3,337,200 kilograms of salted fish.

The catch in the first quarter of 1943 was valued at 5,874,000 bolívares compared with 3,261,000 bolívares in the corresponding period of 1942.

PALESTINIAN CITRUS CROP

The citrus crop in Palestine is estimated at 5,000,000 cases compared with 10,000,000 cases in 1941-42. The 1942-43 crop consisted of about 4,500,000 cases of Shamouti oranges, 300,000 cases of grapefruit, 150,000 cases of Valencia oranges, and 60,000 cases of lemons.

The seasonal concentrate-production capacity of the factories at the end of the season, subject to some adjustment of raw-juice extraction, was around 2,000 tons of 7-to-1 concentrate. Production during the season totaled about 1,000 tons, of which 650 tons were scheduled for export to the United Kingdom (including 220 tons of 3½-to-1 concentrate); 180 tons were sold in bottles to the military authorities, and the remaining quantity was sold locally.

In addition to the domestic market requirements for juice, squashes, and marmalades, an order for some 9,000,000 bottles of squash (which was later somewhat reduced by scarcity of bottles) absorbed a large quantity of raw juice. Considerable quantities of marmalade were also made to meet military requirements. The production of smaller quantities of other products such as dried fodder, alcohol, citric acid, and pectin was continued.

BANANA CROP, PALESTINE

Banana yields in Palestine in 1942 were rather below average, estimates of production being a little below the 1941 figure of 6,500 tons.

The banana crop in the Tiberias area was good, but in the Jericho area it was only fair. The crop was poor in the coastal area as a result of frost damage in the winter of 1941-42.

The area under bananas increased by about 500 dönüms (1 dönüm=0.22 acre), mostly around Tiberias, bringing the total area to around 7,000 dönüms.

Meats and Products

URUGUAYAN CATTLE MARKET

During October 1943, the cattle market at Montevideo, Uruguay, remained firm, and maximum prices were maintained for cattle of good quality. However, there was a softening up in prices for average cattle in some classes toward the close of the month.

Arrivals of cattle at Tablada in October amounted to 43,982 compared with 56,789 in October 1942.

Uruguayan cattle slaughter in October 1943 totaled 69,525 head compared with 66,309 head in October 1942.

Sugars and Products

ESTIMATED PRODUCTION, EL SALVADOR

Sugar production in El Salvador for the 1943-44 crop year is estimated at 22,000 short tons compared with 20,837 tons during the 1942-43 season.

PERUVIAN SUGAR SITUATION

Peruvian sugar output for October 1943 is placed at about 55,000 short tons and that for the first 10 months of 1943 at 358,000 tons. Output for the entire year of 1943 is unofficially estimated at from 468,000 to 475,000 tons.

Sugar consumption in Peru in September amounted to 7,576 tons, compared with 11,251 in September 1942, and consumption in the first 9 months of 1943 was about 99,000 tons, compared with 95,000 tons in the corresponding period of 1942.

Sugar exports from Peru in October 1943 totaled about 12,000 tons, according to an unofficial source.

Vegetables and Products

MEXICAN CROP PROSPECTS

Around the first part of December 1943 it was estimated that shipments of vegetables from Mexico this season will be from 500 to 1,000 carloads less than last season, which was the most prosperous in the history of the vegetable industry on the west coast of Mexico.

Flood and storm damage was so great and the prospects of repairing the damage are so slight that it is expected that no appreciable shipments will be made from some sections.

Estimated data as to present plantings and carlots available for shipment as compared with plantings and shipments during the 1942-43 season are shown in the following table:

Item	1942-43		1943-44 ¹	
	Acres	Carlots	Acres	Carlots
State of Sonora:				
Tomatoes.....	7,000	1,000	7,300	1,100
Green peas.....	3,400	440	3,500	500
Total.....	10,400	1,440	10,800	1,600
State of Sinaloa:				
Tomatoes.....	45,000	6,600	40,000	5,500
Green peas.....	1,000	120	1,100	220
Green peppers.....	4,700	650	5,000	500
Total.....	50,700	7,370	46,100	6,220
Grand total.....	61,100	8,810	56,900	7,820

¹ Estimated.

Hardware

NEWFOUNDLAND'S STOVE IMPORTS

Approximately 94 percent of the coal and wood stoves imported by Newfoundland in the year ended June 30, 1942, were supplied by Canada, says a Dominion commercial publication. The total number of stoves received during the year was reported as 1,962, with a value of \$79,500; of those, Canada furnished 1,853, valued at \$74,000.

Iron and Steel

RAILWAY RAILS PRODUCED IN BRAZIL

Railway rails were rolled in Brazil for the first time in October 1943 at the Monlevade plant of the Companhia Siderurgica Belgo-Mineiria. This project was encouraged by President Vargas and by the Minister of Transportation and Public Works as a means of obtaining rails for the 310½-mile line that is to connect the railways of the southern and northeastern sections of the country.

Varied production figures have been reported, but it is thought that the latest figure published—2,500 tons a month—will not be attained until February 1944. At this rate the total output of the plant for a year or more will be required to supply the rails needed for the north-south railway connection.

Rails in excess of 65 pounds a yard will not be rolled by this plant, and, when operations begin at the National Steel Plant at Volta Redonda, the production of rails at Monlevade reportedly will be discontinued.

NEWFOUNDLAND'S IMPORTS

Of the iron and steel pipes, valued at \$85,000, imported into Newfoundland, in the year ended June 30, 1942, Canada's share amounted to \$56,000 and that of the United States to \$29,000, Canadian commercial publication reports.

In the year ended June 30, 1942, Newfoundland's imports of wire rods used in the manufacture of nails, all of which came from Canada, had a total value of \$139,327, states an official Canadian publication.

IMPROVED SHIPPING SITUATION IN NEWFOUNDLAND

The stockpile of the Bell Island Iron Mines, Newfoundland, was reduced in October 1943 from 570,000 to 300,000 tons. More rapid movement of ore is now expected as a result of the improved shipping situation.

IRON AND STEEL PRODUCTION IN SPAIN

Much of Spain's iron and steel industry has been idle for several years, because of limited supplies of scrap metal and inadequate quantities of coal. It is estimated that with current resources of scrap, production of about 615,000 metric tons of steel ingots is a possibility for 1943.

Returns for 1942, when scrap imports reportedly totaled 9,000 tons, show output of 528,117 metric tons of pig iron and 637,750 tons of steel ingots. The year 1929 had the highest recorded production, including 748,936 tons of pig iron, 1,003,460 tons of steel ingots, and 689,214 tons of rolled steel.

The potential yearly output of the basic iron and steel industry has been



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placed at about 850,000 metric tons of pig iron, 1,300,000 tons of steel ingots, and 700,000 metric tons of rolled steel. The Spanish estimate of steel-ingot output is considered high, however, as it apparently includes the theoretical production capacity of a number of small electrical steel furnaces scattered throughout the country.

It is thought that the maximum possible output of Spanish rolling mills can be absorbed by the home market.

Leather and Related Products

NEW SHOE COMPANY FORMED IN GERMANY

The Axis press has reported that a new shoe company was formed in Berlin early in 1943. The shareholders consist of 80 German shoe manufacturers who have placed at the disposal of the new company the necessary machinery and trained personnel from their own plants.

LEATHER SUBSTITUTES USED IN JAPAN

Pigskin or fishskin fashions most of the footwear worn in Japan, say reports from Chungking. Shoes of these materials, however, are said to be impractical in a rainy country, such as Japan, as they lose their shape or crack after getting wet. The use of "gata," Japanese wooden slippers, is being encouraged.

LEATHER SHORTAGE IN JAMAICA

An acute shortage of sole and fancy upper leathers is said to be developing

in Jamaica, and cobblers and shoemakers are finding it increasingly difficult to get supplies. This situation is attributed chiefly to the sharp drop in cattle slaughtering. Attempts are being made to relieve the shortage by tanning hides of horses, mules, and donkeys.

Scarcity of sole leather is seriously affecting the shoe-repair business. With men's shoes of serviceable makes being sold at 18 shillings, many persons are unwilling to spend 7 to 9 shillings for half soles and heels, particularly when the domestic sole leathers used are quick-tanned and do not wear very well. Supplies of newly imported footwear, purchased in Canada by the Government, are coming into distribution.

ACUTE SHORTAGE OF LEATHER IN NEWFOUNDLAND

Inability to obtain shoe leather forced a Newfoundland boot and shoe manufacturing company to close during October 1943, after having been in business for many years.

SITUATION IN NICARAGUA

Although there are fair stocks of leather shoes on hand in one of Nicaragua's leading factories, there is a notable absence of tooled-leather satchels formerly used by many school children for carrying books. These satchels, with shoulder straps, have recently been adopted by the feminine portion of the foreign colony of Managua for use as purses or pocketbooks.

Lumber and Products

TIMBER REQUIREMENTS HEAVY IN CEYLON

More systematic exploitation of the Kanneliya Forest is necessary if a continuous supply of timber for the plywood factory at Gintota, Ceylon, is to be maintained, a British lumber journal reports.

The Kanneliya Forest, which occupies an area of 15,000 acres, was reserved to furnish timber to the factory, but the quantity from the sections already logged has been insufficient, it is stated. Construction of a road into the heart of the forest is expected to aid greatly in maintaining a steady supply of wood.

Steps also have been taken to obtain additional supplies from other nearby forests.

EIRE'S FORESTATION PROGRAM

Eire has 100,000 acres in forests, states the Minister for Lands.

A forestation program calls for 10,000 acres of new plantings annually.

HUNGARY HAS LARGE LUMBER SUPPLY

Lumber is one of Hungary's principal raw materials, ranking second to minerals.

The proper exploitation of the virgin forests in the Carpathian and Transylvanian mountain districts, together with adequate land and water transportation, might permit large-scale construction of wooden houses—similar to the mass production of homes in some other European areas.

UTILIZATION OF FOREST PRODUCTS, INDIA

The Utilization Branch of the Indian Forest Institute has worked on a number of projects to aid the war effort, the latest annual report states.

These include preservative oils for Army timber, wood flour for explosives, airplane propellers, synthetic resins, and compressed woods, and a plywood tank.

INCREASED PRODUCTION IN NEW ZEALAND

Additional equipment installed in the new plywood factory operated by New Zealand Plywoods, Ltd., has increased production, states the latest annual report of the Director of Forestry.

This larger output, together with the fiber board produced by New Zealand Forest Products, Ltd., has helped relieve the serious shortage of these materials which resulted from the reduction in imports. It also has aided in conserving stocks of sawn timber for essential uses.

SPAIN'S REFORESTATION PROGRAM

A reforestation program will be carried out in connection with the Spanish Government's Catalanian colonization project.

The area involved—16,300 hectares (1 hectare = 2.47 acres)—is near the Canal de Aragon y Cataluna. It will be planted with pine trees to provide raw materials later for the Spanish pulp and paper industry.

TIMBER UTILIZATION IN SWEDEN

The amount of timber felled in Sweden in recent years for the wood industries has decreased considerably, but the cut for fuel and charcoal shows a substantial increase, the foreign press reports.

Fellings for the 1942-43 season are estimated at 40,000,000 cubic meters, compared with 34,700,000 in 1941-42. The quantity of saw logs, however, is almost 40 percent less than in 1936-37.

Greater emphasis is to be placed on the utilization of inferior-quality timber in forests which have previously been considered somewhat inaccessible, it is stated. Particular reference is made to birch stands in the interior of Norrland.

OVERCUTTING DAMAGES SWITZERLAND'S FORESTS

Heavy overcutting in Swiss public forests during the war years is beginning to show its effects.

Greater care and continued restrictions on consumption, particularly for firewood, as well as a systematic and rational program of timber utilization, are urgently needed to save the forests from permanent damage. The large domestic demand for lumber has increased consumption by more than one-fourth, and Swiss forests have had to cover these excess requirements as well as compensate for lack of imports.

The 1941-42 cut for public forests was fixed at 200 percent of the normal quota, but did not reach its limits, chiefly because of labor shortages. Overcutting has been particularly serious because it was not preceded by a period of under-

If Nazis Use Gas, Canada Is Ready With Protective Products

Manufacture of a new gas detector, a chemically treated arm band to be worn by soldiers in battle, has just been started in a long-idle Ontario tannery, says a Canadian trade paper. In the presence of gas the appearance of the arm band, which is treated with synthetic resin, changes in such a way that the soldier is warned of his danger before the gas can affect any part of his body. Two Canadian firms have combined for production of these arm bands—employing, together, about 30 persons. Firm officials hope to convert the plant to manufacture of various types of waxed paper after the war.

Produced in Canada, also, is a synthetic-rubber-coated fabric which is said to be highly protective against mustard gas in particular. A garment of this butyl-coated material—which tests indicate to be more than ten times as effective as the oilskin cloth formerly used—will, it is said, soon be a part of the equipment of most of the men in Canada's armed forces.

utilization; public forests were overcut by an average of 8 percent during 1924-39.

TURKEY TO MANUFACTURE WOODEN BOBBINS

A bobbin factory has been erected in Istanbul, Turkey, the European press reports. All requirements of bobbins were formerly imported, it is stated.

Machinery, Other Than Electrical

NEW ZEALAND'S 1942 IMPORTS

New Zealand imported 46 percent less agricultural machinery in 1942 than in 1941, practically the only increases being in imports of parts. The value of cultivator parts rose from £NZ2,996 to £NZ4,676; harrow parts from £NZ8,851 to £NZ11,995; hayrake parts (not hand) from £NZ2,564 to £NZ3,934; and drill, distributor, and sower parts from £NZ1,449 to £NZ1,872.

The following table gives in more detail the values and quantities of agricultural machinery imported in 1941 and 1942.

New Zealand's Agricultural-Machinery Imports

[Value in New Zealand pounds]

Item	1941		1942	
	Quantity	Value	Quantity	Value
	Number		Number	
Cleaners and separators—grain and seed, and parts thereof.....		289		448
Cultivators and seed drills—hand worked.....	2,169	1,052	538	480
Cultivators—other kinds.....	70	1,475	1	12
Parts of cultivators.....		2,996		4,676
Cutters—chaff, turnip, and similar, and parts thereof.....		940		794
Drills and sowers.....	17	248	1	74
Fertilizer distributors.....			1	20
Parts of drills, distributors and sowers.....		1,449		1,872
Harrow.....	12	352	11	356
Parts of harrows.....		8,851		11,995
Hayrakes (not hand).....	85	2,756	105	3,756
Parts of hayrakes (not hand).....		2,564		3,734
Mowers.....	1,759	42,701	432	13,402
Parts of mowers.....		17,307		6,830
Plows—hand worked; single-furrow, mold-board, not exceeding 200 pounds net weight.....	400	2,655	115	870
Plows—other kinds.....	79	886	52	621
Parts of plows.....		8,620		4,415
Presses—hay, wool, and straw.....	50	9,192	35	6,938
Rabbit traps and similar traps.....		5,399		1,561
Reapers and binders; harvesters.....	240	32,407	20	3,718
Parts of reapers, binders, and harvesters.....		18,755		18,891
Sheep-shearing and horse-clipping machinery, and parts thereof.....		43,231		31,535
Threshing machines, mills, and parts thereof.....		38,510		7,191
Other agricultural machinery and parts.....		35,115		25,823
Grand total.....		285,750		155,039

The total value of dairy machinery imported into New Zealand dropped sharply—from £NZ109,002 in 1941 to £NZ51,471 in 1942. The only two items increasing were parts for cream separators (from £NZ7,416 to £NZ9,553) and machinery for the manufacturing of dried milk (from £NZ1,908 to £NZ5,163).

The following table gives in detail the imports of dairying machinery in 1941 and 1942.

[Value in New Zealand pounds]

Item	Value	
	1941	1942
Churns—power-driven, and butter-workers.....	2,033	40
Churns—other kinds.....	511	45
Cream separators.....	70,547	14,180
Parts of cream separators.....	7,416	9,553
Machinery specially suited for the manufacture of dried milk and other milk products.....	1,908	5,163
Rubber parts of milking machines.....	19	8
Pumps peculiar to use in dairying.....	372	132
Other dairying machinery.....	26,096	22,350
Grand total.....	109,002	51,471

IMPORTS INTO BRITISH GUIANA

Although the total value of sugar machinery imported by British Guiana during 1942 exceeded the 1941 figure by \$20,932, imports of mining machinery and machines in general decreased slightly, says the foreign press.

The following table shows the total value of imports in 1941 and 1942 and the main countries of origin in 1942:

Machinery Imports of British Guiana

Type of goods and country of origin	Value	
	1941	1942
Mining machinery, total.....	\$506,176	\$491,958
United States.....		431,408
Canada.....		57,955
Sugar machinery, total.....	265,982	286,014
United Kingdom.....		210,140
United States.....		62,928
Canada.....		14,146
Machinery, n. o. p., total.....	984,091	967,191
United States.....		870,004
Canada.....		241,947
United Kingdom.....		47,516

AGRICULTURAL EQUIPMENT FOR BULGARIA

The value of agricultural equipment purchased in 1943 by the Bulgarian Agricultural and Cooperative Bank for delivery in 1943 and 1944 was 142,273,000 leva, as compared with 710,400,000 leva during 1942, states the Nazi press.

Motion Pictures and Equipment

FILM PRODUCTION, UNION OF SOUTH AFRICA

A new series of silent documentary films, dealing with agricultural experiments, is to be made soon by the Department of Agriculture of the Union of South Africa, states an African journal. Prevention of soil erosion will be stressed.

The Department of Agriculture also is considering the purchase of a mobile



Courtesy Office of War Information

film unit, including both camera and projection equipment.

NEWFOUNDLAND'S FILM IMPORTS

Motion-picture film imported by Newfoundland in the year ended June 30, 1942, was valued at \$52,000, a Canadian publication states. Canada was the leading supplier, imports from that country being valued at \$47,000.

Naval Stores and Resins

INDIA'S 1943 LAC YIELD

India's 1943 Balsaki lac crop matured late, as had been expected, and the total production was slightly less than the last estimates, states the Indian press.

The final figure was only 372,000 maunds (1 maund=82.28 pounds), compared with 1,038,250 in 1942. Bengal was hit hard by a shortage of suitable brood lac, the 1943 Balsaki crop being less than 10 percent of the total for either of the last 2 years. Bihar furnished the largest amount—224,000 maunds.

Jethua lac production in 1943 amounted to 67,000 maunds, a substantial reduction from the 1942 figure of 102,500 maunds.

Nonferrous Metals

GOLD AND SILVER EXPORTS FROM HONDURAS

Exports of gold and silver from Honduras in October 1943 increased in value to \$321,139 from the \$120,206 reported for September.

TUNGSTEN OUTPUT OF SOUTHERN RHODESIA

The Director of the Geological Survey of Southern Rhodesia has said that increased output of tungsten depends on the solving of metallurgical problems.

Much of the recent work of the Survey has pertained to wolfram and scheelite.

GOLD MINING, UNION OF SOUTH AFRICA

Formation of the Western Ultra Deep Levels Gold Mining Co. to exploit high-grade ore located at great depth in the Far West Rand, Union of South Africa, is reported by the foreign press. The area involved, adjoining the Blyvooruitzicht property, covers about 10 miles of "strike" and involves 28,000 mining claims. The company's initial capital will be £2,000,000.

An outstanding feature of this undertaking is the depth of the reef, which though not yet determined by drilling, is expected to be not less than 8,500 feet below the surface and to continue at depths of 12,000 feet or more. There is said to be no doubt as to the persistency of the ore or its value. Until now, the deepest mining in The Rand has been at about 9,000 feet.

The average rock temperature of The Rand at 7,000 feet is 97 degrees F., and it is estimated to increase at the rate of 5 degrees every 1,000 feet. Assuming that the problems of ventilation and humidity can be overcome, it remains to be seen whether the value of the ore will justify the increased cost of extraction. Prospecting with diamond-drilling equipment that is already in the country is the only mining contemplated at present.

It is reported that the results of this venture will determine the practicability of ultra-deep mining in the Central Rand.

Office Equipment and Supplies

TYPEWRITER IMPORTS, BRITISH GUIANA

Practically all the typewriters British Guiana imported during 1942 came from Canada, states a Dominion commercial journal. Of the total 308 valued at \$20,-860, Canada supplied 295 valued at \$20,588.

Oils, Fats, and Oilseeds

COPRA PRODUCTION IN CEYLON

It has been estimated that between 45,000 and 50,000 tons of copra will be produced in Ceylon for export during the last quarter of 1943.

SESAME PRODUCTION IN COLOMBIA

Sesame is produced in Colombia near the cities of Barranquilla and Cartagena and to some extent near Monteria and Magangué. Seed is seldom selected, and the hand methods of threshing permit much dirt to be mixed with the sesame seed when it is marketed, recent reports from Colombia state.

Whether Colombia is self-sufficient in the matter of sesame production is a matter for conjecture. It is known that at the present time the demand exceeds supply, because there is a shortage of

Canada's Ammunition and Explosives Industry

In this war Canada has built up from scratch an entire industry for the manufacture of heavy and small-arms ammunition, depth charges, land mines, and aerial bombs, says a statement by an agency of the Dominion Government. Ammunition of many types is produced, ranging from 9-mm. Sten ammunition weighing a couple of ounces to heavy howitzer shells which weigh more than 300 pounds.

The production includes bombs, depth charges, antitank mines, grenades, and shell components such as cartridge cases, fuses, gaines and primers. Scores of components for naval torpedoes also are being produced.

To fill the shells, bombs, depth charges, to fire the bullets and to propel the ammunition, Canada turns out a wide range of explosives and a wider range of chemical intermediates and constituents.

More than 50,000 persons are engaged in this industry in Canada—nearly half of them on ammunition filling alone.

More than 70 types of military pyrotechnics are being made. Canada is increasing its production toward unlimited goals of the secret and most powerful explosive developed anywhere during the present war.

imported copra, but if and when copra again becomes readily available, it is quite likely that requests for sesame will drop.

MEXICO'S LARD IMPORTS

Mexican imports of lard from the United States for the 9 months ended June 30, 1943, were small. Although Mexican demand was constant, suppliers in the United States could not procure adequate quantities to meet it. Because of this scarcity, build-up of reserves has not been possible and, since there has been barely a sufficiency for Mexico's domestic consumption, prices have spiraled, forcing the use of lard down.

The United States, because of its nearness and because its geographic location has made shipping difficulties negligible, has been Mexico's leading source of lard. Lack of transportation facilities hampers shipments from Argentina.

Despite Mexico's inability to obtain supplies as before, it is unlikely that the Mexican dietary habit of lard usage will undergo a rapid change. Mexican baking industries, however, recently have shown a marked propensity to convert to vegetable oils and compounds. Since 1930 Mexican vegetable-oil production has consistently increased, and the 1943 production of vegetable-oil seeds is expected to attain an unprecedented high. Competition between lard and vegetable

oils may be even greater if supplies of the latter are sufficient for the needs of the soap industries which heretofore have used large amounts of copra, now unavailable. Prices of vegetable oils in Mexico have remained relatively high during the war.

FISH-LIVER-OIL PRODUCTION IN NEW ZEALAND

A license has been granted to an Auckland, New Zealand, firm to establish a plant for the production of fish-liver oil, say recent reports from that country. A smaller plant has been in operation at Wellington for some time.

OLIVE-OIL PRODUCTION IN PALESTINE

A better-than-average olive crop in Palestine resulted in the production of 10,000 tons of oil in 1942. Several governmental regulations dealing with picking and pressing and the operation of the presses contributed to a better quality of oil in many areas.

Paints and Pigments

NEW MANUFACTURING PLANT IN BOLIVIA

A plant to manufacture paints and related products is being established by Bartoluc and Tonell, at Purapura, La Paz, the Bolivian press announces.

The factory's output is expected to include oils, polishes, waxes, and similar materials.

Petroleum and Products

SUPPLY SITUATION IN CANARY ISLANDS

Quantities of gasoline distributed in the Canary Islands during the third quarter of 1943 were reported to be adequate for traffic needs. There was sufficient kerosene, and enough oil gas was available for use in pumping stations and fishing vessels; but lubricants for all types of engines and motors were insufficient.

OIL EXPLORATIONS IN COLOMBIA

Foreign oil companies are reported to be busy in the Cartagena district of Colombia leasing lands, making explorations, and doing wildcat drilling. One promising well has been brought in at a location near Simiti, on the Magdalena River. Oilmen believe that prospects are good for finding large oil deposits in that region; however, actual production is not contemplated until after the war.

ECUADOR'S PETROLEUM PRODUCTION

Petroleum production in Ecuador increased during the third quarter of 1943. Output of crude oil for this period reached 26,660,214 gallons, showing an increase of 20.97 percent over the 22,037,820 gallons produced in the preceding quarter, and an increase of 21.97 percent over the corresponding period in 1942.

In production of petroleum products, the quarter ended September 1943 showed an increase of 29.73 percent over that of the preceding quarter, and an increase of 31.29 percent over the September 1942 quarter. Figures in production of petroleum products for the three periods are as follows: Quarter ended September 1942, 7,801,997 gallons; quarter ended June 1943, 7,895,941 gallons; and quarter ended September 1943, 10,243,580 gallons.

Despite greater production, exports during the third quarter of 1943 declined in comparison with exports of the corresponding period in 1942, and with the April-June quarter of 1943.

The following table shows quantity and value of Ecuador's crude petroleum exports, by countries of destination, in the 3 months ended September 30, 1943:

Country of destination	Quantity	Value (in U. S. currency)
	<i>Metric tons</i>	
Uruguay.....	23,939	\$195,303
Brazil.....	14,475	78,688
Argentina.....	9,901	121,501
Total.....	48,315	395,387

Rubber and Products

EXPERIMENTAL PLANTINGS IN PERU

Rubber nurseries have been established in Peru, at Iquitos and Oromina, under the supervision of personnel of a new agricultural experimental station at Tingo Maria. An additional tract of 150 acres has been set aside by the Peruvian Government for a rubber plantation experiment, with the probability that two other areas of equal size will be designated for this purpose.

Special Products

IMPORTS INTO BRITISH GUIANA

Sewing machines imported by British Guiana in 1942 numbered 650, a sharp drop from the 3,127 imported in 1941. Canada's share in the total value of sewing machines imported during 1942 was \$25,687 out of the total \$28,110, says a Dominion commercial publication.

Metal furniture imported by British Guiana in 1942 was valued at \$48,825, a decline of 46 percent from \$91,158 in the preceding year. A Canadian commercial journal states that in 1942 imports of metal furniture from Canada totaled \$22,483; from the United States, \$15,027.

Canada also supplied practically all the wooden furniture imported during 1942. The total value of such imports was reported as \$14,838; Canada's share was \$12,732.

MANUFACTURE OF RUSH CHAIRS, BARBADOS, B. W. I.

In Barbados, British West Indies, the manufacture of rush chairs, which was a diminishing industry a few years ago, has increased materially as a result of im-

portation difficulties. Prices are more than double those formerly received, and chairs are being exported to neighboring islands as well as sold locally.

NEWFOUNDLAND'S HAND-TOOL IMPORTS

Newfoundland imported hand tools valued at \$223,000 in the year ended June 30, 1942. A Canadian trade publication reports that the United States was the leading supplier, furnishing tools valued at \$144,000; Canada was credited with \$65,000 and the United Kingdom \$12,000.

Textiles and Related Products

NEW FACTORY PROPOSED FOR EL SALVADOR

The establishment of a new textile manufacturing plant in El Salvador, by a semipublic development corporation, is in prospect. This factory reportedly will be large enough to double the textile output of the country.

Another Salvadoran firm is seeking machinery for the fabrication of bags, using roselle fiber.

Cotton and Products

ARGENTINA'S PRODUCTION AND EXPORTS

In September, Argentina exported 797 metric tons of cotton, making a total of 4,662 tons for the first 9 months of 1943. Of this total, 2,981 tons went to Venezuela, 1,522 to Cuba, 102 to Bolivia, and 57 to Chile. No export shipments were reported during the corresponding period of 1942.

As of October 7, the average ginning yield of this year's crop was 32.9 percent, indicating an improvement in the varieties grown. In the years 1933-37 the average yield was only 27.4 percent.

Planting of the next crop has progressed satisfactorily, although heavy frosts have necessitated some replanting in the Province of Santa Fe.

BRITISH GUIANA'S IMPORTS OF COTTON MANUFACTURES

Cotton manufactures ranked first among all imports into British Guiana in the first half of 1943. The following table shows principal imports, by value, as reported in a British publication:

(In British Guiana dollars)¹

Commodity	January to June	
	1942	1943
Wearing apparel.....	\$201,097	\$498,985
Cotton manufactures, piece goods and similar items.....	806,078	1,782,335
Rayon.....		
Piece goods.....	270,219	351,644
Other manufactures.....	4,283	18,190
Cordage.....	10,952	66,807

¹ British Guiana dollar=\$0.834 U. S. currency.

SPAIN'S 1943 COTTON CROP

About 5,500,000 kilograms, or 25,000 bales, of ginned cotton are expected from Spain's 1943 crop, according to recent estimates.

UGANDA'S COTTON EXPORTS

During the period January to August 1943, approximately 114,000 bales (of 200 pounds) of cotton were shipped from stations and ports in Uganda, a decrease of more than 49 percent from the 1942 comparable shippings.

Cotton tax collected during the 1943 period totaled £62,700, which was £72,000 less than collections for the similar 1942 period.

New crop plantings in the Protectorate to the end of August totaled more than 1,099,000 acres.

The condition of the crop was reported to be slightly above average, and a large harvest was anticipated.

Wool and Products

ARGENTINA'S PRODUCTION AND EXPORTS

In September, 19,653 bales of wool were exported from Argentina, compared with 15,264 bales shipped in the preceding month, and 11,614 bales in September 1942. Total exports during the wool year, October 1, 1942, to September 30, 1943, were 183,290 bales. Comparable exports totaled 259,444 bales in the preceding year.

Fine and medium crossbred full-growth wools moved at lower prices in September than in August because most lots still on the market were of lower quality.

On October 11, a Government loan program was announced on low crossbred wools, for which prices have been very low and export demand non-existent. Base values on 40's and coarser have been set at 10 pesos per 10 kilograms for full-growth wool, and 9.50 and 9 pesos for November and March second clips. A maximum loan of 90 percent is available to growers on wool stored in approved warehouses, and 70 percent when held in warehouses or storage sheds of the producers. An interest charge of 4 percent per year will be made, with the wools as collateral. Loans will



Don't Let That Shadow Touch Them
Buy WAR BONDS

Argentina's Achievements and Ambitions in the Drug Field

Argentina's exports of chemicals and pharmaceuticals rose from about 1,000,000 pesos in 1939 to 27,500,000 in 1942. Exports of medicinal specifics alone have been running at an annual rate of 10,000,000 pesos or better, as compared with 360,000 pesos in 1939.

Argentine imports of chemicals and pharmaceuticals, on the other hand, have increased only slightly in war years, totaling 60,000,000 pesos in 1942, with imports of medicinals declining from 5,200,000 pesos in 1939 to 2,800,000 pesos in 1942.

The Republic's foreign trade in medicinals reflects the increase in local production, which had a sales value of 60,000,000 pesos in 1941—almost double that of 1939.

Argentina appears to have exceedingly high aspirations in this particular commercial field. El Mundo, Buenos Aires newspaper, asserts that Argentina "is capable of supplying all the drug imports of the other American republics." Inasmuch as the pre-war drug imports of the 20 countries totaled more than 100,000,000 Argentine pesos, and will probably increase very substantially in the post-war period, impartial commentators say that this "would seem to be a large order" for the drug industry of the big River Plate Republic—even if war expansion is taken fully into consideration.

[See feature article, "Post-War Foreign Markets for U. S. Drugs and Pharmaceuticals," by T. W. Delahanty, in the November 20 issue of FOREIGN COMMERCE WEEKLY.]

be made only to producers and only on the 1943-44 clip, and will run for a period of 360 days with a possible extension for 180 days.

WOOL PRODUCTION, UNION OF SOUTH AFRICA

During the 1942-43 season, 770,000 bales of wool were sold in the Union of South Africa, compared with 806,000 bales in the 1941-42 wool year.

Farmers received about £2,000,000 more than in the preceding year, even though the clip was about 36,000 bales lower, because the wool was of a better quality.

URUGUAY'S WOOL PRODUCTION AND EXPORTS

Early in October, 58,800 kilograms of Uruguay's last season's wool arrived on the Montevideo market, which increased the total for the 1942-43 wool year to 60,993,134 kilograms, or 10,228,709 kilograms (21 percent) more than in the preceding season.

In the first month of the new season, which began October 1, 1,799,660 kilograms arrived on the market, compared with 787,640 kilograms in October 1942.

Exports during October were 4,086 bales, against 588 bales in the corresponding month of 1942.

The wool market was quiet, only small lots being sold. Prices ranged from 9 to 9.30 Uruguayan pesos per 10 kilograms, a small lot of exceptionally fine crossbred super wool commanding the highest price.

Tobacco and Related Products

TOBACCO ENTERED FOR CONSUMPTION IN CANADA

Tobacco entered for consumption in Canada during October 1943, as shown in an unrevised statement issued by the Canadian Department of National Revenue, consisted of 2,223,875 pounds of cut tobacco, 285,487 pounds of plug, 79,588 pounds of snuff, 969,456,161 cigarettes,

16,257,607 cigars, and 325,862 pounds of Canadian raw-leaf tobacco.

Excise taxes were paid on 14,018,555 cigars in October 1943.

EXPORTS FROM CUBA

Total value of tobacco exports from Cuba during the third quarter of 1943 was almost 75 percent greater than for the corresponding period of 1942. This increase was attributed principally to higher prices on leaf tobacco and increased shipments of cigars, which were the largest in many years. Cigarette and smoking-tobacco exports continued at relatively stable, but low, levels.

EIRE'S 1943 CROP

Eire's 1943 tobacco crop is expected to reach 150,000 pounds. A cool, wet season has affected the average quality, however, making the leaf thin and deficient in "gum."

There were 128 licensed tobacco growers in Eire during 1943 and 166 acres were cultivated.

PRODUCTION AND CONSUMPTION IN HONDURAS

Total production of leaf tobacco in Honduras for 1942-43 is estimated by the Honduran Statistical Office at 4,761,800 pounds. The below-normal production is attributed to a prolonged drought in the Department of Copan, the principal tobacco-growing region. Smallness of the crop and heavy demands from El Salvador for leaf have made it possible for growers to dispose of their entire harvest, including low-grade leaf that normally would be discarded.

Consumption of leaf tobacco by the principal manufacturers increased somewhat this season over the preceding year. Cigar consumption is believed to have shown no gain. The number of cigarettes consumed increased by approximately 12 percent, total sales for the fiscal year 1942-43 totaling 208,553,480, units compared with 186,520,000 for 1941-42. There was increased demand for brands made entirely of native or

imported leaf, while the sale of brands made of native and imported leaf (combined) diminished.

It is expected that the continued strong demand for leaf from El Salvador and the slightly higher prices being offered this year will result in a larger tobacco acreage next year.

INCREASED MANUFACTURE IN NEW ZEALAND

September production of manufactured tobacco in New Zealand was expected to be about 60,000 pounds ahead of July's output, but 170,000 pounds short of the goal of 700,000 pounds. Improved production is attributed to various adjustments of the process in the factories and to increased labor hours available.

How Canada Has Eased Its Farm-Labor Shortage

(Continued from p. 5)

are engaged on sugar-beet farms; the remainder are employed on fruit and vegetable farms in Ontario and British Columbia. A few of these 5,000 Japanese are living in special camps, but the majority are on individual farms.

Many Sources Tapped

Almost 1,000 farm workers were moved this summer from the prairies to Ontario for temporary war work. The men were recruited mostly from Saskatchewan farms and were taken to central and southwestern Ontario, where they remained for a little less than 2 months—returning then to the prairies in time for the western harvest. At the same time that these prairie farmers returned to work on their own lands, 4,000 Ontario farmers accompanied them to assist with the grain-harvest operations.

The foregoing are the most important examples of the Canadian Government's energetic effort to unearth new sources of farm help. The search has also delved into such diverse sources of manpower as conscientious objectors, a group which produced 2,250 workers; "treaty Indians," of whom 500 helped with harvesting in Manitoba, another 300 helped finish the threshing in Alberta, and a few more put up hay in the interior of British Columbia; and students, teachers, and townspeople who worked on the farms during their holidays and spare time.

Metals and Minerals Imports to Liberia

Liberian imports in 1942 included iron and steel bars and plates worth \$52,078; iron and steel pipes and fittings, \$84,071; brass and copper sheets, \$50,868; asphalt and bitumen, \$60,926; clay pipes, \$174; and china and porcelainware, \$6,702.

Cement imports in 1942 amounted to 29,582 barrels (400 pounds to a barrel), with a total value of \$98,852.

Ecuadoran Textiles—Supply Most of the Domestic Needs

(Continued from p. 9)

Women workers can leave their children at the company's child nursery near the plant from 6 a. m. to 6 p. m.—a period which covers both shifts with a comfortable margin for mothers who want to do their marketing after or before work.

The company has paid 40,000 sucres as the first payment on several city blocks of real estate, which includes 400 lots (more than enough for all of the plant's present employees). The company's outlay of 100 sucres per lot can be matched by 300 by the worker at the rate of 4 sucres (less than \$0.50) per week until the lot belongs to the worker. A cooperative house-building plan permits the worker to live in his home while he pays for it on a similar arrangement.

A mutual workers'-loan fund contains 52,000 sucres and is available to any employee for any emergency. And all these advantages are in addition to the Ecuadoran social-security law which provides for accidents, sudden discharge, and other contingencies.

Wholesome Relationships

If the inquisitive traveler walks from the factory office into the plant, he will find it provided with all ordinary safety devices. It is light and pleasant, and some of the workers (many of whom are women) will be found to be singing under the noise of the looms. Their songs are apt to be modern tunes they have picked up on their radios from Mexico, the United States, or recent ones from Ecuador.

The workers may be shy when asked questions by the foreigner, for they are not accustomed to such attention. But they will answer the questions of their plant manager as frankly and spiritedly as they would the questions of a fellow worker, for he is a member of the family. He is a slightly superior member, it is true. He must solve problems far more intimate than those of a plant manager in many other countries.

The traveler will see and understand, in the existing relationship, the position of the new Ecuador—free, healthy, optimistic, and much better clothed.

Brazil's New National Motor Factory

(Continued from p. 7)

General Muniz envisages an airplane plant and a tractor factory growing up beside the motor works. His plane factory would turn out plastic-wood cargo planes like the Curtiss "Caravan," using Brazilian woods. In anticipation of this he has constructed an airport which ul-



David Fellman ("How Canada Has Eased Its Farm-Labor Shortage").—See the December 18, 1943, issue of FOREIGN COMMERCE WEEKLY, in which was published an article by Mr. Fellman under the title "Canadian Hinterland of the Alaska Highway."

timately will be 2 miles long so that newly built planes, after motor installations, could be flown away to buyers practically on a "factory-to-you" basis. The plane factory now awaits only President Vargas' O. K.

Comprehensive Planning

For the company's workmen and executives, factory officials are building up-to-the-minute homes and apartment houses to care for an eventual community of 25,000. This community will include the 6,000 workers in all the projected factories and their families. A modern hospital for the motor factory has already been constructed, and a co-operative store for workmen is now in operation, providing foodstuffs and household articles at lowest cost.

The National Motor Factory represents an important advance in Brazil's industrial economy. When the first engine comes off the assembly line, it will be a tangible result of Brazilian-American cooperation—a cooperation that will help to produce victory in this war, and a lasting peace in the years to come.

German Chemical Plans for the "Eastland"

Several German chemical firms have recently established trading subsidiaries in the occupied eastern territories, particularly Latvia, the European press reports.

Riedel-de Haen G. m. b. H. has been organized at Riga to sell the German company's products and to furnish technical advice to local consumers. The firm's capital is given as 50,000 reichsmarks.

Metall und Lurgi Ostland has also been organized at Riga in the interest of several important German companies, including Metallgesellschaft, A-G., of Frankfurt (Main). The concern, which has a capital of 20,000 marks, will assist in the sale and erection of technical equipment.

Naturally, advances by the Russian armed forces may render these Nazi plans completely futile.

More "Ersatz" Vitamins

The children of Holland will get only "ersatz" cocoa from now on. The Dutch Nazi party organ, the Nationale Dagblad, has announced that there is no more cocoa available in all Holland and therefore distribution of cocoa with sugar—previously permitted for children only—has been cancelled.

A new cocoa substitute called "rona" was to be issued early in October. It is a powder which, "mixed with milk, will be a tasty, nutritive caramel beverage for children," the Nazi organ said, giving no further indication of its contents. The announcement also warned that the use of cod-liver oil would have to be cut "most stringently."

Ecuador Now a Leading Source of United States Quinine Imports

Ecuador, smallest of the South American west-coast republics, has become one of the biggest Western Hemisphere sources of quinine and totaquina.

While the issuance of U. S. import figures has been discontinued for security reasons, the inter-American program for development of hemisphere resources is acknowledged by the United States Foreign Economic Administration to have yielded important quantities of anti-malarials in Ecuador. Ecuadoran authorities have cooperated with United States procurement agencies in expanding production of anti-malarial drugs to help meet the urgent demands of United Nations military forces.

Quinine and totaquina are antimalarial alkaloids processed from the bark of the cinchona tree, native to Ecuador and other American republics. These regions have become the principal source of quinine supply since the loss of Far Eastern imports.

Extensive surveys of cinchona areas have been carried out by FEA. These surveys were followed by a program of production, launched with the assistance of a United States mission of botanists and chemists sent to Ecuador by the Office of Economic Warfare, now absorbed into FEA. This agency handles the purchase of quinine and other antimalarial alkaloids in the other Americas.

The FEA has established laboratories for quick analysis of cinchona bark at Quito, the Ecuadoran capital, and at Cuenca, and has set up purchasing stations in the richest areas of supply.

Now FEA, in cooperation with Ecuador authorities, is seeking further expansion of production through organization of exploratory parties to locate stands of cinchona trees best suited to commercial production.

New Books and Reports

★ The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. Please note: The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Current Interest Appearing in the Department of State Bulletin December 11, 1943

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., for the price of 10 cents each; subscription price \$2.75 a year. The December 11 issue contains these articles:

CONFERENCE OF PRESIDENT ROOSEVELT, PRIME MINISTER CHURCHILL, AND PREMIER STALIN AT TEHRAN:

Declaration of the Three Powers.

Declaration Regarding Iran.

Statement by the Secretary of State.

Return Journey of President Roosevelt.

CONFERENCE OF PRESIDENT ROOSEVELT, PRIME MINISTER CHURCHILL, AND PRESIDENT INONU OF TURKEY AT CAIRO.

DECLARATION OF WAR BY BOLIVIA AGAINST THE AXIS POWERS.

SECOND ANNIVERSARY OF DECLARATIONS OF WAR AGAINST THE UNITED STATES BY BULGARIA, HUNGARY, AND RUMANIA.

CAPTURE OF PRIZES ON THE HIGH SEAS.

ADDRESS BY JOSEPH C. GREW AT ST. THOMAS CHURCH, NEW YORK.

APPOINTMENT OF CHARLES WARREN AS MEMBER OF THE PRESIDENT'S WAR RELIEF CONTROL BOARD.

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION: LETTER OF THE SECRETARY OF STATE TO THE CHAIRMAN OF THE HOUSE FOREIGN AFFAIRS COMMITTEE.

INAUGURATION OF THE PRESIDENT OF LIBERIA.

DISTINGUISHED VISITORS FROM OTHER AMERICAN REPUBLICS.

MILITARY - MISSION AGREEMENT WITH PARAGUAY.

Other Publications

FOOD "CRISIS." Roy F. Hendrickson. 1943. 274 pp. Price, \$2.50. The author, who is the director of the United States Food Distribution Administration, recounts the food situation in America—past, present, and future—covering distribution, rationing, military needs, price stabilization, and subsidies. Discusses not only our requirements and methods of handling food, but also the problems involved in feeding nonbelligerents and conquered territories. Deals with the question of Lend-Lease, its origin, shipments made abroad, the cost, and poli-

International Air Freight Traffic Mounting Fast

American goods, from hosiery to airplane engines, are going to all parts of the world by air in an increasing volume, according to a study of exports by air just made public by the Bureau of the Census, Department of Commerce.

While air exports at present represent only a small percentage of total United States exports, they include a great variety of commodities consigned to many different countries.

The study of United States exports by air, including Lend-Lease exports, covers the period of July 1943. While withholding exact data as to value or volume of trade because of wartime security regulations, the Census Bureau's report indicates through the use of percentages the general nature and destinations of air exports.

During the month of July 1943, domestic exports by air from the United States in the textiles, machinery-and-vehicles, chemicals, and miscellaneous-commodity groups represented 88 percent of the total value and 73 percent of the total volume of air exports. The largest group, machinery and vehicles, represented 29 percent of the value and 36 percent of the volume of all air exports. Next in value were the miscellaneous group, representing 24 percent of the total, and the textiles group, representing 20 percent of the total. In volume of shipments, each of these groups represented 12 percent of the total. However, the nonmetallic-minerals group exceeded these two in the volume of exports, with 18 percent of air shipments.

As to the destination of our air exports: while the largest value, 44 percent of the total, went to North America, the South American continent received 38

percent of the value. Shipments to Africa, comprising 8 percent of the total, were the third largest in value.

Within the North American continent, Mexico was first with 28 percent of the value of continental air exports, and 41 percent of the total volume. Cuba was next in both value and volume, receiving 23 percent and 34 percent, respectively, of the total North American shipments.

In South America, Colombia received 43 percent of the value of air exports to that continent, as against the second largest country, Brazil, which received 19 percent of the total value. As to volume, the countries are reversed in position; Brazil received 43 percent of the total South American shipments, while Colombia was second with 35 percent of the total volume.

To two of the continents of the Eastern Hemisphere, shipments by air were almost entirely to single countries. India and Dependencies received 96 percent of the value and 88 percent of the volume of total Asiatic shipments; Egypt received 81 percent of the value and 80 percent of the volume of African shipments.

An analysis of the type of air shipments to various selected countries showed that for Egypt 91 percent of the value of total air exports to that country were in the machinery-and-vehicles and chemicals commodity groups; for Colombia 53 percent of the value total was represented by textiles; for Brazil 46 percent of the value was represented by machinery and vehicles and 31 percent by the miscellaneous-classification group; and for Mexico, 41 percent of the total value was included in the miscellaneous group and 24 percent in the group of inedible animal products.

cies involved. Compares the problems of World War I with those of today, and, finally, discusses the probable trend of food management, both international and domestic, in post-war years.

Available from: Doubleday, Doran & Co., Inc., 14 West 49th Street, New York, N. Y.

LATIN AMERICAN POST-WAR MONETARY STANDARDS. Charles A. McQueen. 1943. 23 pp. The Monetary Standards Inquiry No. 4. Price, 10 cents. A review of Latin American currency standards with a view to determining the kind best suited to the interests of Latin America as a whole.

Available from: The Monetary Standards Inquiry, 408 Graybar Building, New York 17, N. Y.

AUSTRALIAN COMPANY LAW. C. M. Collins. 1940. 290 pp. A handbook presenting general principles of the law relating to companies in each of the States of Australia.

Available from: The Law Book Company of Australasia Proprietary Ltd., 140 Phillip Street, Sydney, Australia.

THE DIAMOND DEPOSITS OF THE GOLD COAST, WITH NOTES ON OTHER DIAMOND DEPOSITS IN WEST AFRICA. N. R. Junner

and F. A. Bannister. 1943. 54 pp. Gold Coast Geological Survey Bulletin No. 12. A detailed report of the deposits of the Birim diamond field and the Bonsa Diamond field. Includes also data on other diamond occurrences in the Gold Coast, origin of the Gold Coast diamonds, grading and valuation, industrial uses of diamonds, and the like. Contains numerous maps and pictures.

Available from: London Office of the Gold Coast Geological Survey, 75, Cornwall Gardens, South Kensington, S. W. 7, London, England.

BOOKS ON SOVIET RUSSIA 1917-1942. Philip Grierson. 1943. 368 pp. A classified compilation of books and pamphlets on post-revolutionary Russia that have been published in Great Britain between 1917 and 1942. Includes also a collection of documents and personal memoirs published mainly in the United States or in the Soviet Union. A brief description of each item, as to its character and the point of view from which it is written, is given. Contains appendixes and a complete index.

Available from: Methuen & Co., Ltd., 36 Essex Street, Strand, W. C. 2, London, England.

Trade Mark Applications

Argentina.—The following applications for trade-mark registration were published in the Boletín Oficial of November 23, 1943. Opposition must be filed before December 27, 1943:

Trade-mark Class No. and Commodity
Asland..... No. 3—Entire class.

Chile.—The following applications for trade-mark registration were published in the Diario Oficial of Santiago. Opposition must be filed within 30 days from the date of publication:

Trade-mark	Class No. and product	Date of publication
American.....	No. 4—Metals, locksmith work and ironmongery.	Dec. 1, 1943.
Reflex, Veritable.....	No. 21—Plain soap and preparations for washing and cleaning.	Do.
Xlo, Ex-Cell-O.....	No. 28—Hand tools, cutlery, side arms, etc.	Do.
Iceberg.....	No. 34—Refrigerators, filters, etc.	Do.
American, Xlo, Ex-Cell-O.....	No. 36—Machinery and vehicles.	Do.
Fiberglas.....	No. 41—Receptacles and bowls of glass, porcelain, china, etc.	Do.
Sulfatitan, Aroo, Zoltan, Krincort, Quimio, Bras, Kochfermengol, Catalcymon, Partebec, Animaciodyl, Enzimamino, Digerkkoeh, Fermentamino, Lipotril Sanitas, Vigentant Sanitas, Amobil Sanitas, Hidroamin Sanitas, Q. S. Witto ne, Major B, Sanitas, Folsteina, Flita, Biotose, Orypan, Pluravit, Aspirmint, Vencedol, Crial.	No. 75—Chemical and pharmaceutical products.	Do.

El Salvador.—The following applications for trade-mark registration were published in the Diario Oficial, San Salvador. Opposition must be filed within 90 days from the date of publication:

Trade-mark	Commodity	Date of publication
Continental.....	Cotton cloth, cotton canvas, ready-made garments.	Nov. 3, 1943
Cuscatlan.....	Straw hats.	Nov. 1, 1943
Canabo.....	Cotton cloth, cotton canvas, ready-made garments.	Nov. 3, 1943
Noche Buena.....	Alcoholic liquors.	Nov. 4, 1943
Guadalquivir.....	Vegetable edible oil.	Nov. 8, 1943
La Samaritana.....	Cotton cloth, cotton canvas, ready-made garments.	Nov. 11, 1943
Razel and Apan-teos.....	Coffee.....	Nov. 26, 1943
Ancla.....	Sewing thread, thread for knitting and embroidery.	Nov. 30, 1943

Latin American Exchange Rates

NOTE.—Averages are based on actual selling rates for sight drafts on New York, in units of foreign currency, per dollar with the following exception: Cuba—United States dollars to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to the dollar.

Country	Unit quoted	Type of exchange	Average rate			Latest available quotation		
			1941 (Annual)	1942 (Annual)	Oct. 1943 (monthly)	Rate	Approximate equivalent in U. S. currency	Date, 1943
Argentina.....	Paper peso.....	Official A.....	3.73	3.73	3.73	3.73	\$0.2681	Nov. 13
		Official B.....	4.23	4.23	4.23	4.23	.2364	Do.
		Bid.....	4.88	4.94	4.94	4.94	.2034	Do.
		Free market.....	4.24	4.00	4.00	4.00	.2500	Do.
Bolivia.....	Boliviano.....	Controlled.....	43.38	40.46	42.42	42.42	.0238	Dec. 7
		Curb.....	54.02	49.66	44.50	44.50	.0225	Do.
Brazil.....	Cruzeiro ¹	Official.....	16.50	16.50	16.50	16.50	.0606	Dec. 1
		Free market.....	19.72	19.64	19.63	19.63	.0509	Do.
		Special free market.....	20.58	20.52	20.30	20.30	.0493	Do.
		Official.....	19.37	19.37	19.37	19.37	.0516	Nov. 20
Chile.....	Peso.....	Export draft.....	25.00	25.00	25.00	25.00	.0400	Do.
		Curb market.....	31.78	31.75	31.64	33.80	.0296	Do.
		Free.....	31.15	31.13	31.00	31.00	.0323	Do.
		Gold exchange.....	31.15	31.13	31.00	31.00	.0323	Do.
		Mining dollar.....	31.35	31.13	31.00	31.00	.0323	Do.
		Agricultural dollar.....	31.15	31.13	31.00	31.00	.0323	Do.
		Controlled.....	1.75	1.75	1.75	1.75	.5714	Nov. 27
		Bank of Republic.....	1.78	1.76	1.76	1.76	.5682	Do.
Colombia.....	do.....	Stabilization Fund.....	(9)	(9)	(9)	(9)	.0000	Do.
		Curb.....	1.86	1.77	1.75	1.75	.5714	Do.
		Uncontrolled.....	5.85	5.71	5.65	5.65	.1770	Nov. 3
		Controlled.....	5.62	5.62	5.62	5.62	.1779	Do.
Costa Rica.....	Colon.....	Free.....	.98	1.00	1.00	1.00	1.00	Nov. 6
		Central Bank (official).....	15.00	14.39	14.10	14.10	.0709	Nov. 17
Cuba.....	Peso.....	Official.....	2.04	2.04	2.04	2.04	.4902	Do.
		Free.....	4.86	4.85	4.85	4.85	.2062	Nov. 15
Ecuador.....	Sucre.....	Official.....	5.00	5.00	5.00	5.00	.2000	Nov. 27
		Curb.....	5.93	6.24	6.25	6.25	.1605	Do.
El Salvador.....	Paper peso.....	Official.....	333.00	333.00	333.00	333.00	.0030	Nov. 7
		Guarani ²	3.10	3.10	3.10	3.10	.3226	Nov. 20
Paraguay.....	Sol.....	Free.....	6.50	6.50	6.50	6.50	.1538	Dec. 4
		Controlled.....	2.50	2.50	2.50	2.50	.4000	Dec. 11
Peru.....	Colon.....	Free.....	1.90	1.90	1.90	1.90	.5263	Dec. 4
		Controlled.....	2.31	1.90	1.90	1.90	.5263	Do.
Salvador.....	Peso.....	Free.....	3.26	3.35	3.35	3.35	.2985	Nov. 30
		Controlled.....	3.76	3.45	3.35	3.35	.2985	Do.
Uruguay.....	Bolívar.....	Free.....	3.76	3.45	3.35	3.35	.2985	Do.
		Controlled.....	3.76	3.45	3.35	3.35	.2985	Do.
Venezuela.....	Bolívar.....	Free.....	3.76	3.45	3.35	3.35	.2985	Do.
		Controlled.....	3.76	3.45	3.35	3.35	.2985	Do.

¹ Under law of October 6, 1942, the cruzeiro became the unit of currency, replacing the milreis. Since November 1, 1942, exchange quotations have been in terms of cruzeiros and centavos to the dollar.

² Established March 25.

³ For class 2 merchandise, 1.795; class 3, 1.87; class 4, 1.195.

⁴ For class 2 merchandise, 1.765; class 3, 1.775; class 4, 1.785.

⁵ July 24–December 31.

⁶ New currency unit instituted as of November 8, 1943.

NOTE.—Special rates apply to automotive equipment and agricultural machinery imported from the United States into Argentina.

Uruguay.—The following applications for trade-mark registration were published in the Diario Oficial of Montevideo, on the dates noted. Opposition must be filed within 30 days from the date of publication:

Trade-mark	Product	Date of publication
Omega (see trade-mark).....	Ready-to-wears, clothing in general, and millinery.	Nov. 29 to Dec. 4, 1943.
Impromptu.....	Perfumery and toilet articles.	Do.
Lux.....	Arms.....	Do.
Vanbo (see trade-mark).....	Classes 1, 2, 3 and 14.	Do.
Suite.....	Perfumery and toilet articles.	Do.
Frescomgelado.....	Groceries, food-stuffs, animal and agricultural products.	Do.
Regidor.....	Groceries, food-stuffs, beverages.	Do.
Dunbar MBC.....	Animal and agricultural products.	Do.
Otosclerol.....	Drugstore and chemical products.	Do.
Topovac-Ovol.....	do.....	Do.

Trade-mark	Class No. and product	Date of publication
Eupaverin.....	do.....	Do.
Satin-Latour.....	Beverages.....	Do.
Rapidgelado.....	Groceries, food-stuffs.	Do.
Quikfreez.....	do.....	Do.

Enough belladonna to supply the institution for more than a year has been harvested recently in the grounds of a large London hospital. The dispensary staff did the necessary work, and little trouble with the cultivation was experienced, says a British drug magazine.

Increased production of fluorspar is anticipated from the Wolungchuan mine in Manchuria, which was recently purchased by the Manchoukuo Mining Co. from the Showa Steel Works, Ltd.—or so the Japanese press claims.

U. S. Export Control and Related Announcements

Developments communicated to the Trade Controls Unit up to Tuesday, December 21, 1943.

No. 503—Current Export Bulletin No. 136

The Office of Exports has issued Current Export Bulletin No. 136 on the following subjects:

I. Bulletins To Be Published by Requirements and Supply Branch

The Current Export Bulletins, formerly published by the Office of Exports, will henceforth be published by the Requirements and Supply Branch, Bureau of Supplies, Foreign Economic Administration.

II. "Unit Process" and "Import Recommendation Process" Cases

A. "UNIT PROCESS"

Exporters with Import Recommendations for commodities to be put to related uses may take advantage of the "Unit Process" plan in submitting applications for export licenses. (See Comprehensive Export Schedule No. 12, p. 106.)

When diverse commodities are to be used together and are to be shipped to the same consignee, purchaser, and ultimate user, the necessary applications may be submitted firmly stapled together in a legal binder or similar backing clearly "Unit Process." Such grouped cases will not be separated from each other, and therefore the "interdependent" commodities will be licensed for export at the same time, if the applications are approved. An approved Unit Process Case will have each individual application signed and validated in the usual manner. If rejected, the Unit Process Case will be returned in its entirety to the applicant.

IMPORT RECOMMENDATION PROCESS

When an Import Recommendation covers various commodities not interdependent in use and designated by several Schedule B numbers, it is desirable that the necessary applications for export licenses and the fourth copy of the Import Recommendation should be bound together and clearly marked "Import Recommendation Process." The applications and the Import Recommendation will then be processed together, but approved, modified, or rejected individually. Such grouping of applications under the same Import Recommendation will avoid difficulty and delay.

C. APPEALS

A Unit Process Case if appealed will be considered in its entirety, while any appeal of an application rejected under "Import Recommendation Process" will be considered individually.

III. Missing Import Recommendations Cause Return of Many Export License Applications

Each day it is necessary for this office to return without action some 200 to 300 applications for export licenses which, although they require submission of Import Recommendations, are neither accompanied by the required Import Recommendation nor have any indication on the application of the number of the IR which is on its way from Latin America.

It would be most helpful from the standpoint of both the applicant and this office

if this burden of double handling and postage could be lightened. It should be remembered, also, that the speed with which applications can be handled is reduced in proportion to the number of applications handled daily.

Exporters are urged to review carefully all applications before sending them to this office to ascertain that, if an IR is needed, it is attached or, if not available, that its number is entered on the license application.

IV. Declarations for Shipments Under General License "GLV"

Under the present provisions of General License "GLV," net value is defined as "the actual selling price less shipping charges or the domestic market price at the time and place of shipment, whichever is the larger," and exporters are required to state on export declarations that the value of the exportation is not less than the domestic market price of the commodities.

In order that exporters who sell at less than domestic market price may make shipments under General License "GLV," the statement to be entered on the export declaration is hereby amended as follows:

"The domestic market price of the commodities declared herein for exportation under GLV does not exceed the sum of \$-----." (Insert the figure \$1.00, \$25.00, or \$100.00, whichever is applicable.)

"Domestic market price" shall mean the Office of Price Administration ceiling price which may be charged to the same type of purchaser in the United States or, where no ceiling price has been established, the current market price.

With this change, exportations at prices lower than the domestic market price will be permitted. However, for the purpose of determining the amount which may be shipped under GLV, the domestic market price will govern where it is higher than the invoice price. Where the invoice price is higher, it will govern.

The above provision constitutes a modification of Current Export Bulletin 131 (Announcement 498 in FOREIGN COMMERCE WEEKLY for November 13, 1943), subject I, paragraph D, which amended the general licenses for shipments of limited value—Comprehensive Export Schedule No. 12, pages 84 to 86, titles E and F.

V. Submission of Exports License Applications Covering Shipments to Be Made to Spain, Portugal, etc., During First Quarter of 1944

A. In order to expedite the clearance of all export license applications covering shipments to be made during the first quarter of 1944 to—

Spain	Azores Islands
Spanish Morocco	Madeira Islands
(including Tangier)	Cape Verde Islands
Canary Islands	Angola
Portugal	Mozambique

exporters are requested to submit these license applications as early as possible, preferably by January 1, 1944. All such applications must represent firm orders which have actually been received by the applicant from the consignee in the country named on the application.

B. The early submission of these export license applications for the first quarter of 1944 will enable the Foreign Economic Administration to clear them promptly with the Joint Anglo-American Blockade Committee in London, and if an application is approved,

the license will be issued to the applicant as soon as possible. However, applications which are received after the beginning of the first quarter will not be excluded from consideration for that reason.

In Current Export Bulletin No. 130 (Announcement 497 in FOREIGN COMMERCE WEEKLY for November 6), Subject VI, the last sentence in paragraph A is amended to read as follows:

"This factory price information is required in addition to the total price in customary form of quotation, such as f. o. b. (factory), f. a. s. (named port), or other form used in the past, which should be shown on all the copies."

VII. Automotive Storage Batteries, Schedule B No. 7013.00 (Excluding Aircraft Batteries)—Suggested Export License Application Limits for the First Quarter, 1944

The Foreign Economic Administration is establishing, for the first quarter of 1944, "Export License Application Limits" for automotive storage batteries, Schedule B No. 7013.00 (excluding Aircraft Batteries) under the same procedure as that offered to exporters for the fourth quarter of 1943, as announced in Current Export Bulletin No. 119, dated September 6, 1943, (Announcement 486 in FOREIGN COMMERCE WEEKLY for September 11). These "limits" represent figures beyond which applications for licenses to export automotive storage batteries to the other American Republics involved may be, but are not likely to be, approved. Information regarding these suggested limits is available upon request to Machinery and Equipment Division, Bureau of Supplies, Foreign Economic Administration, Washington 25, D. C., References OE-4-4-LGG.

Exporters who have filed questionnaire Form B. B. No. 31-R021, giving 1941 export figures, will receive notification of application limits in dollars as soon as they are established for the first quarter of 1944. Exporters of automotive storage batteries who have not supplied this office with 1941 export figures on Form B. B. No. 31-R021 should show, when submitting individual applications in the first quarter of 1944, their past export sales for 1941 for this commodity to the country of destination, so that this office may ascertain their application limits.

The suggested limits are offered to exporters as a guide in planning their work and do not represent commitments from the Foreign Economic Administration. Import Recommendations or similar documents required under the Decentralization Plan will continue to be required when filing license applications under this procedure.

VIII. General License for the Exportation of Dunnage (GLD)

A general license designated GLD has been issued authorizing the exportation of dunnage when exported solely for use as such on the immediate voyage of an exporting carrier, provided that the amount of dunnage does not exceed the amount necessary to properly stow or secure the cargo to be carried.

Dunnage is defined to mean any lumber of grade No. 3 common or lower, matting, lute or burlap bagging, paper or other materials customarily used to secure or stow cargo aboard a vessel when such materials are not carried as cargo and not assessed freight charges.

Collectors of Customs may give a special release for a higher grade of dunnage under these provisions only where it has been proven to the satisfaction of the Collector that the regularly authorized grades are not available.

Exports of dunnage material as cargo in excess of that which is required for the proper stowage of the cargo to be carried by the vessel on its immediate voyage must be covered by an individual export license. Applications must be made on Form OE-119.

IX. Narcotics

Comprehensive Export Schedule No. 12 is amended as follows:

Page 109, under the heading "Narcotics," the first sentence should read:

"The exportation of narcotics, and preparations containing narcotics, must be licensed by the Foreign Economic Administration."

Page 86, paragraph E. b., "Narcotics, and preparations containing narcotics," is added to the list of exceptions which require individual licenses for exportation in any amount to any destination except Canada.

X. Change in General License

Commodity description	Department of Commerce Schedule B number	General license group, old	General license group, new	Effective date of change
Abrasives and Abrasive Manufactures:				
Natural abrasives, hones, whetstones, etc., other (include in fusorial and diatomaceous earth, flint, rottenstone, tripoli and garnet).	5409.98			
Corundum	5409.98	62	62	
Diatomaceous earth	5409.98	None	K	Immediately.
Other natural abrasives, hones, whetstones, etc., n. e. s. (excluding those items listed above).	5409.98	None	None	
Asphalt: Asphalt manufactures, n. e. s.	5471.00	62	K	Do.
Chemicals: Synthetic flavoring extracts (include flavors for soft drinks, cooking, baking, ice cream, etc.).	5295.90	62	K	Do.
Clay and Clay Products:				
Cement, high temperature or refractory, n. e. s. (include plastic brick cement).	5375.98			
High temperature or refractory cement containing chromite, silica carbide, or aluminum oxide.	5375.98	62	62	
Other high temperature or refractory cement, n. e. s. (excluding the item listed above).	5375.98	62	K	Do.
Glass and Glass Products:				
Other glass (include flat glass specialties, mirrors, glass brick, and ophthalmic glass).	5230.98			
Ophthalmic glass (report ophthalmic lenses in 9142.00)	5230.98	None	K	Do.
Other glass	5230.98	K	K	
Glassware, n. e. s. (include glass wool) (specify type or kind).	5299.00			
Dials, glass instrument	5299.00	K-17	None	Dec. 20, 1943.
Electrodes	5299.00	K-17	None	Dec. 20, 1943.
Fluorescent tubes	5299.00	K-17	None	Dec. 20, 1943.
Industrial heat resisting	5299.00	K-17	None	Dec. 20, 1943.
Lamp lenses	5299.00	K-17	None	Dec. 20, 1943.
Neon sign sets:				
Protectors, glass	5299.00	K-17	None	Dec. 20, 1943.
Reflectors	5299.00	K-17	None	Dec. 20, 1943.
Tubes	5299.00	K-17	None	Dec. 20, 1943.
Tubing	5299.00	K-17	None	Dec. 20, 1943.
Other glassware, n. e. s. (excluding those items specifically listed above).	5299.00	K-17	K	Immediately.
Oils and Fats—Vegetable: *Perfume-flavor oils, blended compounded, or mixed (report synthetic aromatic compounds in 8323.98).	2280.00	62	K	Do.
Vegetable Dyeing and Tanning Extracts:				
Dyeing and tanning extracts, other.	2339.98			
Quercitron	2339.98	62	K	Do.
Osage	2339.98	62	K	Do.
Spruce extract	2339.98	62	K	Do.
Other dyeing and tanning extracts, n. e. s. (excluding those specifically listed above).	2339.98	62	62	

* (Include asphalt cement, emulsion, and prepared road asphalt; report petroleum asphalt in 5047.00, roofing in 9693.00, and bituminous paints, liquid and plastic in 8430.00).

Shipments of the above commodities, which were on deck, on lighter, laden aboard the exporting carrier, or in transit to ports of exit pursuant to actual orders for export prior to the effective date of change may be exported under the previous general license provisions. Shipments moving to a vessel subsequent to the effective date of change pursuant to ODT permits issued prior to such date may also be exported under the previous general license provisions.

*NOTE.—All previous decisions notwithstanding, Schedule B No. 2280.00 does not include fractions of other than perfume-flavor oils included in the classifications Schedule B No. 2268.00 through 2279.98.

Import Control

No. 41—Amendment to Supplemental General Imports Order M-63-a, Making Specified Addition to Schedule A:

Effective December 20, 1943, an amendment to Supplemental General Imports Order M-63-a as amended September 23, 1943, adds edible onions (Commerce Import Class No. 1208.100), to Schedule A of that supplemental order.

The effect of this amendment is to remove this product from the exemption which is granted to List III materials shipped overland, by air, or by inland waterway from Canada, Mexico, Guatemala, and El Salvador, by terms of Supplemental General Imports Order M-63-a, and to require written authorization from the War Production Board, in accordance with paragraph (b) of General Imports Order M-63, for importation of the above product from the designated sources, regardless of the means of transportation.

More Beer Bottles for India

Beer bottles are now being manufactured at a glass factory at Ghazalabad, India, as part of a plan of the officers of the Canteens Directorate to provide beer for men in the services. Though able to produce the beer, India has previously been unable to provide the receptacles, according to a foreign press report. Beer is imported in small quantities from Canada and Australia, and the bottles are collected for reuse. Used bottles are also imported from the Middle East.

Cooperation between the Americas for the development of agriculture has taken a new turn, it is disclosed in Coconut Grove, Fla. Scientists there are growing plants for shipment to the other republics, for producing crops for return to this country as export commodities. Tropical research has provided several hundred plants of *Derris elliptica*, the botanical name given to the source of the deadly insecticide, rotenone, which is among the critical materials of the war program. By transplanting in growing areas in the other republics, the available supply will be greatly increased, and the whole program permits experimentation in adaptation of plant types to new growing locales.

Bears, wolves, wolverines, and foxes have staged such a come-back in Norway during the past 3 years that they have become a plague to the Norwegian farmers. Stripped of their firearms by Nazi order, the Norwegians are unable to combat the pests. Wolves, formerly confined to northern Norway, have spread southward. One Gudbrandsdal farmer recently lost 35 sheep in a single night.

Antimalarial remedies valued at \$8,565 were imported by the Republic of Liberia during the calendar year 1942, reports the Bureau of Revenues of that country.



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